

BY THE SAME AUTHOR

American Japanese Relations

Asia at the Door

Japan in World Politics

Japan and World Peace

Japan's Pacific Policy

What Japan Thinks

The Real Japanese Question

Japan Speaks

Manchoukuo Child of Conflict

Jokichi Takamine

JAPAN IN CHINA HER MOTIVES AND AIMS

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With Introductory Notes by

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and a Foreword by

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INTRODUCTORY NOTE I

This book should be of much value in helping English readers to understand the Japanese point of view, which Mr Kawakami explains with remarkable clarity

It is of such importance that, whether or not we ultimately accept this point of view, we should at least comprehend it and appreciate the sincerity with which it can be held This Mr Kawakami makes it easy for us to do

JOHN TILLEY

February 1938

INTRODUCTORY NOTE II

For the moment, only two wars claim our daily attention, one in the Occident, the other in the Orient. We learn as much as happens to suit the divergent policies of those influences that mould our opinions, as a consequence, our ideas are all too often founded on incomplete or wrongly stressed information. As few of us have the advantage of a first hand knowledge of these now war stricken parts of the world, wrong impressions are easily formed.

Mr Kawakami's book will appeal as outlining in clear and reasoned language the events that have led up to the present conflict between Japan and China with indications as to the future.

It can be readily understood and assumes no previous knowledge of the Orient in the minds of readers. It is to be hoped that many, after reading this book will look back in our history to the beginning of the century and to the great era of "Victoria Regina" and praise the far sightedness of Lord Salisbury, the Prime Minister under whose guidance Lord Lansdowne the Secretary of State for Foreign Affairs negotiated the Anglo-Japanese Alliance.

It will be admitted that Lord Salisbury looked far ahead and planned to unite where they met in the Orient, the interests of the two "Island Empires". Had the Alliance not been abrogated it would be fair to assume that the course of recent events would have been different and more advantageous to both.

SEMPILL

February 1938

FOREWORD

By **VISCOUNT ISHII**
PRIVY COUNCILLOR

In Peking, in the very early days of my diplomatic career, I received a baptism of blood. I was one of the thousand or so foreigners—men, women, and children—who were to have been slaughtered upon the altar of the anti-foreign fanaticism which had been sweeping through China.

The armed fanatics were known as the Boxers. Their objective was the extermination of all Europeans and Americans, with whom they classed the Japanese, within their country ; and they enjoyed the tacit encouragement of the Chinese Government itself. Their first target was the diplomatic corps, and they laid siege to the legation quarter, where all other foreigners in Peking and the neighbouring territory had sought refuge.

Day and night, for nine weeks from June 11, 1900, the beleaguered community was showered with shots and shells. Not a minute passed but that death stared us in the face. Of us only a few hundred were regular soldiers ; the rest, civilians, joined in, armed with such weapons as were available, and these were deplorably few.

I saw brave men fall before my eyes. Our food supply was small. Our ammunitions were fast being depleted with no hope of replenishment. There was no news of outside forces coming to our rescue. So desperate had the outlook become that one of our fellow defenders, Dr. W. A. P. Martin, an American scholar and missionary, penned an impassioned appeal urging upon the civilized

world the partitioning of China among Christian Powers, and he had been China's most ardent sympathizer and sincerest friend.

Yet Providence willed that we should not all perish. At the beginning of the tenth week of the siege an international force nine tenths of which was Japanese, carried the outer walls by storm, forced its way into the legation quarter and saved us from the jaws of death. That any of us lived to welcome the rescuers was nothing short of miraculous.

What was the cause of this murderous rising against the foreigners? The Chinese answer is the encroachment of the Powers upon Chinese sovereignty. They had foisted "unequal" treaties upon China and had deprived her of tariff autonomy. They had set up an *imperium in imperio* within Chinese jurisdiction in the shape of concessions and settlements. They had bombarded the defenceless coast snuffing out thousands of innocent lives. How could all these outrages be stopped? Only by annihilating the "foreign devils"—*yangkui*, as the Chinese called the Europeans, Americans, and Japanese. The Boxer Rebellion was the result.

After the rebellion, the deluge. The *yangkui* could not be exterminated. Far from it they both increased in number and gained in power, and they became more masterful than ever. In the deluge of greater and yet greater foreign "encroachment" China's ship of state floundered helplessly. China, in short, was on the verge of disintegration. Only by the Powers' agreement to preserve her, and not by her own capacity for independence, was China permitted to remain intact.

What was the moral of this lurid and tragic page of Chinese history? Simply this—that China could see only the wickedness of the foreigner, but nothing wrong with herself. Considering herself a nation *par excellence*,

she put all the blame upon the Powers, but none upon herself. In this attitude one may find a clue to the national idiosyncrasy of the Chinese as distinguished from that of the Japanese.

Looking back over the decades during which I played a humble rôle in the readjustment of Japan's external relations, I cannot but recognize that her experience with the foreign "intruders" in the early stages of her international intercourse was exactly the same as that of the Chinese. Our defenceless coast was bombarded by foreign warships. Unequal treaties were foisted upon us. The stigma of extra territoriality was stamped upon us. We lost our tariff autonomy. Foreign settlements were set up within our jurisdiction. In general the foreigners lorded it over us.

What method did we adopt to cope with this condition? The answer is one word—self-examination. We recognized our own defects. We never encouraged anti-foreign movement. There was no Japanese counterpart of the Chinese Boxers. No attempt was ever made to massacre foreigners.

On the contrary, we admitted frankly and unreservedly the superiority of Occidental civilization. We, as a nation, went to school to study the arts of peace, and, alas, of war also, at the feet of our European and American masters. First of all we inaugurated a new school system. Instead of inculcating anti-foreign animus in our youth, we admonished it to study the glorious pages in the history of Europe and America. Higher institutions of learning were established. The laws were codified, the judiciary was reorganized. By sheer self-discipline we repelled the tempting advances of foreign opium mongers. There was peace and order throughout the country, and foreign life and rights were made absolutely secure. Only then did we say to the Powers,

Recognize our achievements admit us into the family of civilized nations upon equal footing And they did

The contrast between the Japanese and the Chinese methods in dealing with foreign "encroachment" calls to mind the old parable of the traveller's cloak and the north wind When the wind tried fiercely to blow the cloak off the traveller's back he clung to it all the more tenaciously When the sun shone forth with its warm rays the traveller removed the cloak of his own accord China preferred the way of the north wind Japan the way of the sun For the former the retribution has been a protracted period of internal chaos and of intermittent conflict with foreign Powers For the latter domestic progress and consequent international recognition as a world Power has been the reward

None denies that China has made signal progress since the Boxer Rebellion Yet her history in the past thirty seven years seems to justify the general statement that her anti foreign idiosyncrasy has continued to manifest itself in different forms to the impairment of her friendly relations with her neighbours particularly Japan That idiosyncrasy has been accentuated by Red influence which China introduced into her own country for the Comintern which is behind that influence is in its ideology and practice decidedly anti foreign

A few words on the new order which we thought dawned upon the distracted world in the wake of the Great War and its bearing upon China That order presupposed that China was a modern nation outgrowing her primitive animosity towards the foreigner willing to observe and capable of adhering to international obligations But China has been found to be not a modern but as yet a medieval nation Her Western-educated diplomats glibly denounce Japan's supposed violation of

the Nine Power Treaty, but their own Government seldom observes the sanctity of treaty obligations

The new world order can be maintained only when all nations, great and small, are capable of fulfilling the obligations which it imposes upon them. In the first place, it requires the great Powers to refrain from resorting to forcible measures in protecting their legitimate rights. Secondly, it enjoins the small nations not to act like naughty boys taking advantage of their fathers' voluntary surrender of the whip. If a small nation, knowing the hands of its neighbour are tied by the new peace system, makes no bones of flouting the principles upon which that system is founded, is it reasonable to expect that aggrieved neighbour to remain always benign and tolerant? The question is yet to be answered.

In this book the author gives essential facts bearing directly and indirectly upon the present unfortunate conflict between Japan and China, and revealing hitherto unfamiliar phases of the Communist menace in that vast section of Asia stretching from India to Japan. He has delved into Japan's diplomatic history for the past half century, and has analysed and arranged a great mass of data so as to present a concise and clear picture of complex problems—a picture which even a layman can comprehend at a glance. In that sense I feel that the book will serve a useful purpose. It is to be hoped that it will have a lasting place in the library of books on the problems of the Far East.

AUTHOR'S PREFACE

There is always adventure, excitement, even enjoyment in fighting for an unpopular cause Japan to-day is a most unpopular nation To denounce and condemn her has become a fashionable pastime in most countries That, more than anything else, is the reason why the author has taken up the cudgels and has leapt into the fray on the side of Japan

This is a book of controversy It discusses some of the most controversial questions which have ever been brought before the forum of public opinion Yet the statements contained between these covers are factual rather than argumentative They are based upon facts which the author considers indisputable

On December 12, 1937, after the text of this book had been written a shocking incident, which tarnished Japan's escutcheon for all time, took place in the Yangtse between Nanking and Wuhu—we refer, of course, to the unfortunate assaults upon British and American gunboats and merchant ships by Japanese war planes and shore batteries

Was this act of violence deliberate, or was it a case of brainstorm, or just a mistake? Whatever the explanation, it compromised Japan's national honour as it had seldom been compromised The only consolation is that the nation, fully conscious of its enormity, sits in sack-cloth and ashes

The incident pushed Japan perilously close to the snare set by China As I have tried to show in various sections of this book, especially in Chapters VIII and IX, China's cherished scheme has been to defeat and humble Japan by inviting international intervention

For years China laboured assiduously and adroitly to bring about the coveted intervention. When the hostilities broke out in North China in July, 1937, the

"Interventionists" of Nanking deliberately provoked a fight in the Shanghai area, the one place where the Japanese had neither desire nor intention to fight. Here was a great international city where the interests of the Powers were centred. Lure or push the Japanese into major hostilities in this sector, and they are sure to be caught in the web of international trouble—that was the Chinese idea, as competent foreign observers, including foreign consuls in Shanghai, plainly recognized.

Quite naturally, Japanese military operations were constantly hampered, as the Chinese forces purposefully clung to the skirts of the International Settlement and the French Concession as if they were their guardians and protectors. To those of us who take a detached view of the situation, it appears unlikely that the foreign interests or foreign forces in that area were unduly partial to the Chinese, but to the Japanese who, outnumbered by the Chinese ten to one, went through a harrowing three months of blood and fire the foreign attitude and foreign acts must have seemed far from neutral. Is it unreasonable to assume that their accumulated sense of injustice done to Japan finally found vent in the shocking incident which has humiliated us as never before? The fair-minded will concede that the foreign forces, guarding that section of the Settlement adjoining the area where the Chinese forces were entrenched, were too exacting, not to say pin pricking in their attitude towards the Japanese, who had been struggling hard enough not to harm the foreigners in their attempt to dislodge the enemy.

The Yangtse incident has by no means changed the fundamental situation discussed between these covers. This book is an attempt to depict the motives behind Japan's acts on the Asiatic continent, particularly in China, and the objectives she is struggling to attain. Here is a country small in area—congested with popula-

tion as no other country is—devoid of natural resources—living from hand to mouth— forbidden by agreement among her Western brothers to send any of her "surplus" population to those regions where the best opportunity awaits the common run of immigrants—struggling to support her growing population at home by developing industries and foreign trade, yet confronted by the barriers of prohibitive tariffs and quotas abroad—her exports barred from their natural market in China, yet prevented from entering other countries where they are welcomed if the natural law of demand and supply is permitted to operate—faced by Red Imperialism, which is, like Czarist militarism, certain to engulf China, as it has already engulfed Outer Mongolia and Chinese Turkestan, if Japan does not stand as a bulwark against its steady advance.

Such is Japan. The problem confronting her is one which defies and transcends legalistic arguments such as were advanced at Geneva and elsewhere both by the Powers and by Japan in discussing first the Manchurian "incident" of 1931 and now the North China "incident."

By force of circumstance Japan has become a crusader. She is crusading against Comintern inroads into China, into Mongolia and Manchuria. She is crusading against the chaos and corruption in China, against China's Japanophobic ideology and national policy, against her century-old policy of "playing off the remoter enemy against the nearer," *I I Cib I*, always blocking the road to Chino-Japanese friendship. And she is crusading for the ultimate concord among the peoples of Far Eastern Asia. Will she succeed? Will she collapse under the weight she has shouldered?

The immediate occasion of the present fighting is simple enough. Japan struck back because she was struck.

She could not turn her left cheek after she was struck on her right, and once blows were exchanged she had no alternative but to win the fight. Furthermore, Japan saw the spectre of Red Imperialism looming behind China. She had to strike swiftly and decisively in spite of all her desire to remain at peace.

Indeed Japan had every reason for desiring to avoid a clash with China in the summer of 1937. Her eyes had anxiously been fixed upon Eastern Siberia, where Soviet Russia had concentrated great forces. The Konoye Cabinet as the preceding Hayashi and Hirota Cabinets, had been endeavouring to find a basis for *rapprochement* with Nanking. What was even more significant, Ambassador Yoshida's conversations with British officials in London for Anglo Japanese co-operation, conceived in a mutual desire for peace and stability in China had so progressed that final agreement seemed only a matter of time. This plan had been endorsed by the Japanese military. But it takes two to keep peace, and China refused to grasp Japan's proffered hand.

Finally, a word about the secret Soviet documents quoted in this book. They are taken from the great mass of papers seized by the Chinese authorities from the offices of the Military Attaché to the Soviet Embassy in Peking in April, 1927. As far as the author is aware, they are used in this book for the first time in Europe and America. To our readers these documents will prove a startling, even sensational revelation, yet their authenticity cannot be disputed although the Soviet Government may disclaim as it usually does all responsibility for such documents. The English translation from the Russian originals was done by a special commission appointed by the Chinese authorities.

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LONDON

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CHAPTER I

MOSCOW ARMS CHINA

I

To those of us who have closely followed the Communist activities in the Far East since the Russian Revolution of 1917, Tovarich Litvinoff's solicitude for peace in China, so blandly voiced at Geneva and at Brussels, has a touch of cynicism rather than of sincerity. Is he guilty of ignorance or does he talk with his tongue in his cheek? Is he unaware what his comrades have been doing these seventeen years for the disruption and disturbance of China? Does he not know how Red money has "purchased" this, that and the other Chinese politician and militarist, how it has financed military schools and has armed military groups in different parts of China, how anti foreign, particularly anti-British and anti Japanese, riots have been fomented among the Chinese by numerous agents whose footsteps are traced directly to the gates of the Kremlin?

These grave questions are asked advisedly. They must be answered upon the strength, not of rumour and hearsay, but of concrete and indisputable evidence; and we propose so to answer them.

The public has a short memory. But perhaps the world has not entirely forgotten the Zinovieff letter, which eventually led to the famous "Arcos incident." On February 23, 1927, Sir Austen Chamberlain addressed to the Soviet Government a note of protest which ended with these words.

"His Majesty's Government consider it necessary to warn

the Union of Soviet Republics in the gravest terms that there are limits beyond which it is dangerous to drive public opinion in this country, and that a continuance of such acts as are here complained of must sooner or later render inevitable the abrogation of the trade agreement the stipulations of which have been so flagrantly violated and even the severance of ordinary diplomatic relations'

The note quoted Tchitcherin Commissar of Foreign Affairs, Voroshilov and Unschlicht, Commissar and Vice-Commissar of War respectively, Bukharin leading member of the Politbureau, Kameneff and Karahan high ranking Soviet diplomats, all of whom indulged in utterances contrary to the Soviet Government's professed desire for British friendship

Bukharin, for instance, was shown to have urged the Executive Committee of the Comintern to help the Canton army to drive out British interests from China He further declared that "the Chinese Nationalist revolution and the English miners' strike are the chief spots upon which the Communist parties must concentrate their efforts"

Only five weeks after the British protest was lodged Scotland Yard intercepted an official code message dispatched by the Soviet Embassy to the Moscow Government The message said that British labour had been misled by 'coloured' information about China emanating from British sources, and recommended that an arrangement be made for dissemination of "accurate" knowledge in England to rouse workers' opposition against British "outrages" in China

Thus and other similar revelations finally constrained the British Government to resort to a most drastic action On May 12, 1927, more than a hundred police swooped down upon Soviet House, which housed Arcos, Ltd., and the Soviet trade delegation, in London's

financial district. The move was so sudden that the Soviet agents were caught-napping.

Soviet House was a five-storey building in which more than 1,000 Soviet officials and employees were quartered. For two days and nights the police searched the Soviet offices. When the Russians on duty refused to surrender the keys to the two safes, pneumatic drills were used to break the doors open.

The raid disclosed a number of interesting facts relative to Red activities in China. One of the documents seized was a copy of an official telegram dispatched by the Moscow Foreign Office to its agents in Peking, saying that "until a Soviet representative is appointed in Peking, Comrade Borodin is to take orders direct from Moscow."

Comrade Borodin, be it recalled, was one of the Moscow agents who went to Canton in 1923, and there organized and directed a virulent anti-British campaign of 1925-27. In the light of the above official dispatch from Moscow, Borodin was clearly an agent of the Soviet Government. Yet when the British Embassy at Moscow inquired of Mr. Litvinoff, then Acting Commissar of Foreign Affairs, as to the status of Borodin, Mr. Litvinoff blandly replied that he knew very little about him, but that he (Borodin) was a private citizen with no connection with the Soviet Government.

Another document seized was a dispatch sent from the Soviet Embassy at London to the Soviet Government under date of April 1, 1927. Its object was to advise the Soviet Foreign Office about the dissemination of "correct" information regarding the Nationalist movement in China. It read in part:

"Copy to Berlin for Tomsky. One of the principal obstacles for conducting a campaign of protest against British violence in China is the appalling supply of information and

the way in which wide labour circles are misled It is necessary to send by telegraph the official reports of the Nationalist Government on the events at Nanking in particular, facts which deny the information about Nanking given by Chamberlain in Parliament

II

The scene shifts from London to Peking By a coincidence about the time the London police searched Soviet House the Chinese Government at Peking then under Marshal Chang Tso lin of Manchuria raided the office of the Military Attaché of the Soviet Embassy and obtained a great mass of secret information The Marshal was said to have acted upon the advice of his Australian adviser, Mr W H Donald The exact date of the raid was April 6, 1927 The documents seized yielded a most amazing revelation amplifying the evidence obtained as a result of the Arcos raid in London

Before delving into the Red documents seized in Peking it is essential to remember that in the early stage of the Red régime Moscow adopted a course known as the "Asia Détour" policy, or the policy of "defence in Europe and advance in Asia" It was conceived to strike eventually at the Capitalism of Europe by destroying Western Imperialism in Asia first The Soviet Union was compelled to espouse this policy by force of circumstances In Europe the *cordon sanitaire* formed by the capitalist Powers had blocked the Red advance It was futile for the new masters of the Kremlin to batter at this steel ring at least for the time being Furthermore, they, despite their avowed enmity towards Capitalism, sorely needed foreign capital to put the Red house upon a workable basis Lenin's "new economic policy" was dictated by this necessity So he decided to temporize with Capitalism in Europe and to launch an assault upon European Imperialism in Asia

Lenin looked upon the revolutionary movement in the East as a prelude and an auxiliary to the similar movement in Europe. He reasoned that the European countries would be unable to stand the loss of the Eastern market and the Eastern field of exploitation, and that the creation in Asia of such conditions as would make it impossible for the imperialistic powers to preserve their Oriental interests would inevitably lead them to an economic bankruptcy and a violent revolution.

At first Lenin directed his attention towards Afghanistan with a view to striking at India. Radio stations were built on the border of Afghanistan. Apostles of Communist propaganda travelled the ancient roads of Genghis Khan and of Tamerlane. Aeroplanes laden with Red pamphlets and moving pictures flew over the mountain passes. Hindu and Afghan students who had been trained in the Oriental Communist schools in Moscow were sent into the new field.

This phase of the 'Asiatic Détour' was a failure. The British hold upon India was so firm that it offered no hope for Moscow's ambition.

III

In China the success of this policy was phenomenal. Here the first victim of Red machinations was Great Britain. In November, 1926, while the anti-British onslaught was going on in the South of China, Bukharin declared in Moscow that the efforts of the Comintern should be centred upon the creation of a Chinese revolution and that such a revolution was necessary as a prerequisite to a decisive blow at European, particularly British Capitalism.

As a first step to this revolutionary movement in China Voitinsky, director of the Far Eastern Section of the Comintern was sent to Peking in 1920. In January,

1923 A A Joffe was sent to Canton where he entered into an understanding with Dr Sun Yat sen As a result, Borodin (the same Borodin mentioned in the Soviet Foreign Office telegram seized by the British police from Soviet House) went to Canton in October, 1923, as adviser to Dr Sun

Sun Yat sen at his very first interview with Borodin requested that arms and other military supplies be sent to him from Russia by way of Vladivostok Borodin, in his very first report to Moscow, describes this interview as follows

I arrived at Canton on the 6th of October Sun Yat sen welcomed me very warmly made me sit with him and looked at me fixedly for several seconds I conveyed to him the greetings of Moscow and of the Political Representative Comrade Karakhan adding that the latter looks forward to an interview with him on the first favourable occasion Then I shortly explained to him the aim of my coming to Canton and asked him several questions about the situation in the country and particularly in Kuang tung [Canton] He expressed the opinion that if he could stay in Central China and Mongolia he would be able to act quite freely with respect to Imperialism As regards Central China everything depends on the success of the northward movement of his troops He is also waiting for the result of the negotiations of his representatives in Moscow Evidently he expects great things from these negotiations The Mongolian base is very attractive to him Mongolia he said offered great possibilities first of all because in the north he had more followers than in the south In Mongolia with friendly Russia at his rear he would be able to carry on a more open and more effectual policy For the present he finds it necessary to hold Kuang tung and therefore his army must be increased and strengthened To do this he needs help which as he thinks may be extended to him through Vladivostok The direct steamer route from Vladivostok to Canton not calling at Hongkong may be used to this effect But the establishment of such a direct communication between Vladivos-

tok and Canton must be in some way explained and this could be easily done, because Canton needs timber, fish, beans, etc., which could be imported in exchange for local products. This line would at once create what he most needs, viz a direct connection with Russia (the U.S.S.R.). Military supplies, which are indispensable and which, owing to the blockade, cannot be received, could be brought from Vladivostok."

As soon as the Soviet Government was recognized by China and its embassy established at Peking in 1924, there was organized the Soviet Military Centre in the office of the Soviet Military Attaché, who was to superintend the dispensing of funds and the distribution of arms among various politico military groups in China. The Military Attaché had large sums at his disposal. The significant fact was that all these sums came, not from the Comintern, but directly from the Soviet Government.

These facts were disclosed in the documents seized from the Military Attaché's office. They were all written in Russian, but were translated into English by a Commission appointed by the Peking authorities for that purpose. In many instances both the authors and the recipients of the letters or reports used assumed names, but their identity was, of course, known to the parties concerned.

We have noted that Sun Yat-sen asked the Soviet Government, through Borodin, to send arms to Canton. On March 10, 1926, the Soviet Military Attaché wired his agent in Canton as follows:

"We are informed from Moscow that the order has been issued to send to the South [Canton] 6,000 rifles, 10,350,000 cartridges 15 field guns with 15,000 shells, 9 Rotenberg guns with 6,000 shells 10,000 chemical shells 50 trench mortars with 5,000 shells, and sanitary supplies (Signed) Kotff"

Not only did Moscow supply Canton with arms and

ammunition, but it also established a military academy, appointing to its presidency Chiang Kai-shek, who had visited Moscow and stood in the good graces of the Soviet Government Under date of May 11, 1925, the Military Attaché's office reported.

"The first step in the reorganization of the army was the creation of the Kuomintang military school as chief of which General Chiang Kai-shek a faithful friend of Dr Sun Yat sen, was appointed His task is to supply the army with junior officers of political understanding This school was organized at the beginning of 1924 at our proposal and was kept up by our funds In October, 1924 the school had about 1 000 students"

While financing the Military Academy at Canton, Moscow also established a cavalry school for General Feng Yu hsiang hailed as the "Christian General" by trusting missionaries, but in reality an ignorant coolie-soldier Under date of May 11 1925 the Soviet Military Attaché's office wrote to the Soviet adviser attached to Feng as follows

"To-day the Dalbank has been instructed to remit to you 50 000 Chinese dollars This money is to be devoted to the organization of a cavalry school for 1 000 men and cannot be spent for any other purpose On receipt of 50 000 dollars you must tell the marshal that we were the first to help to organize the school and that he should also give something

It has been decided that no schools should be opened at Peking and Kalgan and this must be explained to the marshal He must decide with you the question of the selection of a chief for the school

The object of establishing such schools was not merely to train students for military purposes, but to inculcate revolutionary, Communistic ideology in their minds

Early in 1925 the Military Attaché submitted to his home

Government a budget for his activities To this he received the following instructions, signed by "Yanofsky," an assumed name.

"Purely operating expenses have been curtailed as follows \$17,330 for the Peking Centre, \$25,100 for the northern group, \$22 400 for the central group, \$25,700 for Canton, additional \$75 000 for similar purposes in other places"

The above sums were presumably in gold dollars, though the document does not specify From another paper seized it was learned that in the single month of February, 1927, the salaries of Soviet workers alone amounted to \$64,772, which was distributed as follows .

Central office	\$13,292
Canton group	\$24 620
Kalgan group	\$14,841
Tientsin group	\$1,048
Kaifeng group	\$11,083

The Kalgan group consisted of those working among the northern armies of Feng Yu hsiang The Kaifeng group was those operating partly among the Canton troops under General Tang Sheng chi, partly among the vacillating generals under Wu Pei fu The Canton group was at the time working both at Canton and in the Yangtse Valley, as Chiang Kai shek's army had advanced to Hankow Chiang Kai shek's chief military adviser had for some years, been Galen, who later unmasked himself as General Bluecher, Commander-in-Chief of the Red Army in Eastern Siberia Under date of July 25, 1925 Chiang Kai shek wrote as follows to Galen, who was then in Peking

"The Government must complete in the course of three to six months the military preparations for an armed struggle with the British The influence of the British in the East has reached

its culmination point. It seems to me that the Party, besides employing peaceful means of resistance against them (boycott, etc.) should also undertake positive preparations, seeking to complete them in the course of six months. The struggle will be a long lasting one, say three or five years. Therefore it is urgent to organize immediately a special department or committee of defence to be attached to the Military Council. A greater number of Russian advisers should be appointed there for the consideration of various plans and the distribution of tasks.'

IV

While helping Chiang Kai shek in the south, Moscow aided Feng Yu hsiang in the north—this "Christian General," whom no less an authority than Mr Rodney Gilbert, author of "What's Wrong With China?" describes as "a coolie born and bred, with all the uncouth instincts of his class" constantly changing his allegiance to promote his selfish ends, one of the worst looters even among Chinese generals. Feng became anti foreign and even anti Christian as soon as he saw that there was no more profit in parading as the "Christian General," but discovered that money and arms could be obtained from Moscow by catering to the Soviet view of foreign, particularly British Imperialism. Ergo he proclaimed himself an arch-enemy of the British Empire.

In 1925 the "Christian General" asked for more money and more arms with which to re establish himself in Chahar and possibly in North China as well. He even asked that a number of radio stations be built for him.

On August 4 1926 the Commission for Chinese Affairs at Moscow adopted the following decision:

This Commission is of the opinion that the situation in China dictates the following basic military and political tasks for the People's Army (Kuominchun) under Marshal Feng Yu hsiang

"(1) Hold the province of Chahar under the People's Army.
 "(2) Negotiate with Mukden (Marshal Chang Tso-lin) for a period of respite, but take up struggle against the Chuhli faction, particularly Yen Shi shang and Wu Pei fu

"(3) Reject Feng Yu-hsiang's proposal to enter into alliance with Outer Mongolia with a view to his People's Army getting Outer Mongolia's aid in men and military supplies

"(4) Outer Mongolia shall continue to help Feng only by serving as the route of transport for military supplies to be shipped to Feng from Russia

"(5) Increase to 25 our military and political workers with the People's Army"

This shows that Moscow determined Feng's course of action and his very fate. He was ordered to hold Chahar. He was forbidden to enter into alliance with Outer Mongolia. The Soviet Union wanted to keep so absolute a control of Outer Mongolia that even a Chinese general so dependent upon its support was not allowed to have anything to do with that region. As for Chahar, the Soviet Union looked upon it, as it still does, as an extension of Outer Mongolia. With Feng Yu-hsiang ordered to hold Chahar, the Red road was open without any obstruction from Moscow to Peking. What wonder that Japan was alarmed?

Even before the above-quoted decision was made by the Moscow Commission for Chinese Affairs, Moscow had already shipped arms to Feng Yu-hsiang, for in March, 1926, the Soviet Government advised the Military Attaché at Peking as follows

"The assistance in supplies will consist of the provision of 18 thousand rifles with 18 million cartridges, 90 machine guns with cartridges and accessories, 24 guns with 24 ammunition carts with harness, 24 thousand shells, 1,000 swords and 500 lances. All of this is for the Northern army and is already being concentrated at Urga.

"The supplying of powerful radio-stations has been refused because a single station excluding transportation, costs at least 539 000 roubles

"The question of machines for the production of cartridges is being studied. We cannot take them from our own mills. We shall try to purchase them abroad. A set of machines costs 400 000 roubles. The production for an eight hour working day is 25 000 cartridges.

On August 15 1926, Feng Yu Hsiang sent to Moscow through the Military Attaché at Peking a receipt for military supplies delivered to him up to June 1, 1926. These supplies were itemized in the receipt as follows

<i>Name of Article</i>	<i>Quantity</i>
Rifles	27 970
Cartridges	27 350 545
Machine guns (Maxim)	90
Machine guns (St Etienne)	50
Machine guns (Vickers)	3
Machine guns (Lewis)	4
Guns (3 in.)	42
Lambers	42
Gun carriages	84
Artillery harness	126
Panoramic sights	63
Shrapnel (for field guns)	11 346
High explosive shells (for field guns)	11 346
Hand grenades	10 000
Chemical shells	640
Trench mortars	10
Shells for bomb-throwers	1,000
Swords	1 000
Spears	500
Aeroplanes	3

And yet Feng continued to request Moscow for more arms. On October 30 1926, he wrote to the Military Attaché at Peking as follows

"The People's Army is in great need of a prompt supply of Russian machine guns (400), as there are great battles impending. I request you to find means to help us in this respect.

"We are in great need of aeroplanes, we want them of the largest and swiftest military types—12 planes are needed

"It is very important for us to install radio-stations at Pin-yang, Ning-hsia and Lan-chou. I request that 4 radio-stations of Russian construction be lent to us

"Please find means to send us two megaphones, as I commonly have to speak to a crowd of 20-30 thousand. It is very difficult to speak before as large a crowd so loud that all of them can hear me."

In the above letter, Feng said that "great battles were impending." This refers to his expected encounter with Chiang Kai-shek's forces in Honan province. This took place in the autumn of 1927. Feng was thoroughly beaten and fled to Shantung where he was protected by his friend General Han Fu-chu.

V

When the Chinese police invaded the office of the Soviet Military Attaché, the office staff was caught by surprise. Some of the higher officers threw many of the incriminating documents into a stove, but the police picked them up from the burning fire. As a consequence, some of the most significant papers became partly illegible. The following document, which was the Soviet Government's instructions sent to the Military Attaché in December, 1926, is reproduced with illegible portions omitted.

"Every attention must be paid at present to lend to the revolutionary movement in China an exclusively national character. It is therefore necessary to carry on agitation in favour of the Kuomintang (Nationalist Party) as the party for national independence of China. Take full advantage of the

events in Hankow and the position taken towards them by England, as proof, firstly, of the Kuomintang's success in the national work, and, secondly of the weakness of the European Powers in their opposition to the Chinese revolution

' It is necessary to organize anti European disturbances in the territory occupied by Chang Tso lin's troops

' It is essential to discredit the activity of Chang Tso lin, stigmatizing him as a mercenary of the international capitalistic and imperialistic (burned) who hinder the Kuomintang in its work of liberating China from (burned) control

' It is necessary to organize agitation against European intrusion particularly against British (burned)

' It is necessary to take all measures to stir up the mass of the population against (burned) To this end it is necessary to have the foreign Powers to resort (burned) in the struggle with the mob In order to provoke the intervention of foreign (burned) do not shrink from any measures even such as looting and In case of clashes with European troops use these cases to the full extent for agitation

" Be careful not to carry out the Communistic programme at present This might strengthen Chang Tso-lin's position and aggravate the split in the Kuomintang We have categorically ordered Borodin to abstain for the present from too strong a pressure upon the Capitalistic elements, having in mind the aim to keep in the Kuomintang all classes of the population, including the bourgeoisie until the fall of Chang Tso-lin

" While carrying out the present anti European movement it is highly important to keep up the present antagonism among the Powers It is especially important to isolate Japan as the country which can within the shortest time move into China a large number of troops To this end it is necessary to pay strict attention that Japanese residents should not suffer during any riots However as regards agitation against the foreigners, the exclusion of Japan might produce an unfavourable impression It is therefore necessary to carry on agitation against foreigners in the form of an anti British movement."

The above instructions conformed with the resolution adopted by the seventh plenary meeting of the Comintern in December, 1926. They emphasized the importance of centring the Chinese Nationalists' onslaught upon the British. They urged the need for keeping Communism in the background for a while so as to forestall antagonism and suspicion on the part of the Conservative wing of the Chinese Nationalists. They showed that Soviet propaganda had also been directed against Manchuria where Chang Tso-lin held sway. They clearly disclosed the all inclusive nature of Red agitation against foreign interests, for in the Red scheme anti-British and anti-Japanese propaganda was only a prelude to a general anti-foreign "push". In one of the documents it was established beyond doubt that the Kuo Sung ling rebellion in Manchuria in the winter of 1926 was supported by Moscow.

And yet our peace-loving Commissar goes to Geneva and sheds crocodile tears over the disturbed conditions in China! The Russophiles might retort that all of the documents quoted above refer to events prior to the early part of 1927. Granted. But has Red policy, towards the world in general and towards China in particular, undergone any change since 1927? The answer will be given in the following three chapters.

CHAPTER II

CHINA'S RED ARMY MARCHES ON

I

In the preceding chapter we have examined a number of the secret documents seized by the Chinese authorities from the Soviet Military Attaché's office at Peking in April, 1927. Those documents conclusively proved that both money and arms had been liberally supplied to the Canton group under Chiang Kai-shek and to Feng Yu-hsiang, the so-called "Christian General." Remember that Chiang and Feng in those days were at loggerheads with each other. And yet the Soviet Government helped both at the same time. From the beginning of 1924 to the end of 1926 the Nationalist party (the Canton group) alone received 2,000,000 Mexican dollars a month from Soviet coffers. As to the money spent for the Military Academy at Canton and for the supply of arms, illuminating information was given in the previous chapter. Thanks to this generous aid, Chiang Kai-shek and his colleagues were able to advance to the Yangtse valley, capture the important city of Hankow in September, 1926, and there set up a Nationalist-Communist government.

In the meantime the Chinese Communist Party, under the direction of Borodin and other Russian advisers, had been busy organizing the workers and the peasants and converting them to Communism. With the connivance of the leftist elements in the Kuomintang (Nationalists)

and aided by the Borodin group, the Chinese Communists concocted a conspiracy to usurp the power of that party. But the Kuomintang leaders were not slow to realize the danger of continuing their relations indefinitely with the Communist Party. In March, 1927, as soon as the position of the Nationalist army in South China became more or less secure, Chiang Kai-shek, the Commander-in-Chief, took a decisive step and drove Communists out of Shanghai, Canton, Swatow, and other localities. His action brought him into open conflict with the Hankow Government, still dominated by Communists, and led to the establishment of the Kuomintang Government at Nanking under his own leadership. In July of the same year, the Hankow Government, following the example of Chiang Kai-shek, expelled their Communist colleagues. Borodin and his Red comrades took to flight through Shensi and Inner Mongolia into Outer Mongolia. This, however, did not throttle the Chinese Communists, nor did it stop Red machinations directed from Moscow. The Chinese Nationalists, for reasons of expediency, had permitted the Communist International and the Soviet Government to sow the wind, and were destined to reap the whirlwind.

Even as Borodin was about to flee from Hankow, the Comintern at Moscow sent to its agents at Hankow the following secret instructions :

"(1) Carry out at once the programme of land nationalization without waiting for an order from the Executive Committee of the Chinese Government at Hankow.

"(2) In order to carry out the above plan the peasants must be instigated to seize and confiscate land now belonging to the gentry.

"(3) Organize an army of 70,000 by mobilizing and arming 20,000 Communists and 50,000 peasants in Hupei and Hunan provinces to replace the Nationalist army.

"(4) Drive out conservatives from the Central Executive Committee of the Chinese Communist Party and fill their places with presidents of Communist labour unions."

Whether in conformity to the above instructions or not, the Red army of peasants and Communist workers was organized. The two best-known leaders of these new forces were, and still are, Mao Tse-tung and Chu Teh, both of whom had a number of Soviet advisers. The Russian adviser assisting or directing Mao Tse-tung is a major-general named Litlov, who operates under the assumed Chinese name of Li Teh. In fact, the driving force behind the Communist armies of China is a corps of Russians. These armies soon overran the provinces of Kiang-si, Hunan, and Hupeh and a part of Fukien province. So powerful did they become that by November 7, 1931, they had set up an independent Communist Government in Jui-chin, in the south of Kiang-si province.

II

The Red army, consisting mostly of long-suffering peasants and rabble elements, preyed upon landowners, shopkeepers, farmers, and the gentry wherever it passed. As early as May, 1931, General Ho Ying-chin, Marshal Chuang Kai-shek's right-hand man in charge of military operations against the Reds, reported on the appalling ravages wrought by them, and gave these figures for the lives and properties destroyed :

(1) In Kiang-si province :

Men killed	.	.	.	.	.	186,000
Refugees dead	.	.	.	.	.	2,100,000
Homes burned	.	.	.	.	.	100,000
Property looted	.	.	.	.	.	\$650,000,000
Crops damaged	.	.	.	.	.	\$30,000,000

(2) In Hunan province

Men killed	72,000
Homes burned	120,000
Property loss	\$130,000,000

(3) In Honan province

Killed	350,000
Refugees homeless	8,500,000
Homes burned	98,000
Property looted	\$60,000,000
Crops damaged	\$240,000,000

Against the Red forces Chiang Kai-shek hurled 300,000 soldiers at a monthly cost of 20,000,000 dollars. Not until the end of 1934 could he dislodge the Communists from Kiang si province. During 1935 the Red Army gradually withdrew from Hunan and Honan provinces, and established new bases in Sze-chuan and Kansu provinces in the West of China. Chiang Kai-shek continued to wage war against the Reds, but with little success. From towards the end of 1935 the Red forces made inroads into the north-western provinces of Shensi and Shansi as well as Ning-hsia and Sui-yuan in the south of Inner Mongolia. No doubt their ultimate objective was to effect a junction with the Soviet forces in Outer Mongolia.

To Japan this made the Red peril, not an academic or ideological matter, but an ominous reality. In this potentially menacing situation, one comforting fact to Japan was that Feng Yu-hsiang, the Moscow-financed and Moscow-armed anti-Japanese "Christian General," had evacuated Inner Mongolia to face Chiang Kai-shek's army in Honan province, where in 1927 he was decisively beaten. This resulted in his elimination as a politico-military factor, at least for the time being.

Meanwhile, Moscow kept itself busy fomenting disturbance in various parts of China. The Communist

riot in Canton was one of the most conspicuous incidents of this nature. On December 11, 1927, the Communists, 6,000 strong, seized the municipal building of Canton and set up a Soviet government. The reign of terror lasted three days. Then the Reds were beaten by a local general and met with wholesale execution by firing squads. The Soviet Consulate-General was raided and searched. Twelve Russians, including the Consul-General himself, were arrested, resulting in the execution of the Vice-Consul and seven other Russians. The documents seized clearly proved that the Consulate-General was behind the uprising.

A similar incident had occurred in 1925 in the International Settlement of Shanghai. On May 30 of that year tens of thousands of Chinese students, in sympathy with five students who were convicted by the Mixed Court (Chinese Court supervised by foreign judges) for riotous acts in connection with a labour trouble in a Japanese cotton mill, paraded through the streets. This was followed by a city-wide strike involving 156,000 Chinese workers.

The prime mover in this agitation was Chen Teh-hsu, a Moscow educated Chinese Communist, who is still a prominent leader. Behind him was a Soviet expert on propaganda, Cherkasov, who had his office in the Soviet Consulate-General in the International Settlement. A report written by this propagandist to the Soviet Ambassador Karahan at Peking was intercepted by the Shanghai police. This document conclusively proved that the cotton-mill labour trouble and the following demonstrations and strikes had been prearranged in pursuance of an order issued by the Moscow Comintern. From various sources it was also known that \$430,000 of Red money was expended to provoke and manage this incident, which has become famous among the Chinese

as "May 30 Incident," one of the thousand-and-one "humiliation days" of China. The Chinese were "humiliated" not because the incident was created by Soviet machinations, but because it was so rigorously dealt with by the authorities of the "capitalistic" and "imperialistic" International Settlement.

In 1931 a Belgian couple known as Mr and Mrs Noulen were arrested in Shanghai. Noulen was the Secretary of the Far Eastern Bureau of the Comintern and of the Pan-Pacific Workers' Union, both of Shanghai. The arrest disclosed that between October, 1930, and June, 1931, the Comintern had disbursed 9 000,000 Mexican dollars for Noulen's part of propaganda in China.

As Mr J O P Bland says in his book, "*China the Pity of It*" "the sums of money disbursed by Moscow's agents at Canton from 1923 to 1926 would have secured followers, in large numbers, for any and every creed or campaign. When moreover, it was instilled into the minds of peasants and other manual labourers that the Bolshevik gospel meant more money for less work and that refusal to accept it would involve grave personal risks, the popularity of Communism increased by leaps and bounds." The real danger, then, is not a Communist revolution such as has been seen in Russia, but merely an aggravation of the chaos and disorganization which have gripped China for the past twenty-seven years.

The amazingly liberal distribution of Red money resulted not only in a bountiful crop of riots and strikes but also in mushroom like growth of numerous organizations. Here is a partial list:

- 1 Chinese Young Peoples' Communist League (branch of the K I M, or Young Peoples' Communist International)

- 2 All China Industrial Federation (affiliated with the Profintern)
- 3 Chinese Sufferers' Aid Society.
- 4 Chinese Revolution Mutual Aid Society
- 5 Oppressed Eastern Peoples' Anti-Imperialism Alliance
- 6 Great Young Peoples' Anti-Imperialism Alliance
- 7 Great Shanghai Anti-Imperialism Alliance
(*The above seven organizations were absorbed by the Chinese Communist Party in 1930*)
- 8 Chinese Liberal Movement Alliance
- 9 Chinese Proletariat Authors' Alliance
- 10 Chinese Social Science Authors' League

III

The fountain-heads of Communist propaganda by Chinese in China are these two institutions

- 1 The Sun Yat sen Chinese Workers' University, commonly known as the Chungshan University after the literary name of Sun Yat sen
- 2 The Stalin Eastern Workers' Communist University, commonly called the Eastern University

The Eastern University is a Communist school whose honorary president is Stalin. Its purpose is to train Oriental students for Communist propaganda in the Asiatic countries. Of students of various nationalities the Chinese are the most numerous, followed by the Mongols, Persians, Afghans, Turks, Koreans, and Japanese in the order named. In 1927 the School had 400 Chinese. The curriculum includes Leninism, history of Communism, Marxian economics, general history interpreted in the light of Marxism, natural science, languages, affairs of Oriental countries.

The Chungshan University was established at Moscow in January, 1925, to lure Chinese students, to whom the

name of Sun Yat-sen carries a charm and an inspiration. The school is exclusively for the Chinese. Both men and women are admitted. While in the University the students are provided with all the necessary funds, including personal expenses. In 1925 it graduated the first group of 155 students. The curriculum is similar to that of the Eastern University. The text-books are in Russian and Chinese. At present the teaching staff consists of some fifty Russians and twenty-five Chinese. Since 1928 the number of students enrolled has varied between 400 and 500.

In addition, Chinese are admitted to Soviet military schools, such as the Red Army Military College, the Infantry Officers' School, and the Higher Aeronautical School. There are some fifteen Chinese at the Red Army Military College, twenty at the Higher Aeronautical School, and some 120 Chinese and Koreans in the Infantry School.

Thus hundreds of Chinese Communists, both students and soldiers, are every year sent back to their native country, where they work under the direction of the Comintern and its field agents. What wonder that increasingly large areas in China are becoming Red? Lenin's dream of carrying a Red revolution into Europe by way of Asia may yet come true. Japan, as China's next-door neighbour, realizes the danger far more keenly than other capitalist nations. This Japanese fear has been made all the greater as the Comintern, for the purpose of expediting propaganda among the Chinese, has grafted Communism on to anti-Japanism, just as it grafted Communism on anti-British agitation in the years 1915-27.

Speaking at the seventh congress of the Comintern, held at Moscow in August, 1935, Dimitrov attacked Japanese Imperialism in China, and said :

"In China through the people's movement, a large area has become sovietized and strong forces of Red troops have been organized, but, due to the predatory invasion of Japanese Imperialism and traitorous acts of the Nanking Government, the national existence of the Chinese race is in danger. At this time, Chinese soviets alone are capable of becoming the rallying point for all anti Imperialistic forces for waging war on the designs of Imperialistic powers to enslave or partition China, and thus for assisting Chinese in their race struggle. We, therefore, unanimously endorse the Chinese Communist Party's proposal to put up a unified anti Imperialistic front of an immense scope against the Japanese and the Chinese traitors by marshalling all the forces and organizations existing within China prepared to fight for the preservation of her land and the liberation of her people. We send our hearty and enthusiastic greetings to the heroic Chinese Red armies which have gone through the acid test of many battles and we assure the Chinese people that we are fully determined to support them in their struggle to deliver the Chinese nation from the clutches of all Imperialistic and predatory powers and their Chinese agents."

Acting upon the above view, the Comintern Congress adopted the following resolution

"In China the expansion of soviet movements and entrenchment of the fighting strength of the Red armies must be co-ordinated into a unified programme as a nation wide people's movement against Imperialism. This movement would best be conducted by using as its slogan the idea that it is a war on Imperialistic oppression, especially Japanese Imperialism and its Chinese agents. The Soviet should be made the rallying point for the entire Chinese people in their fight for liberation. Proletarians in Imperialistic countries must extend support to the peoples in colonies and semi-colonies in their war on Imperialistic invaders."

On May 16, 1936, a Comintern representative in Tientsin, known as Riazanovsky, went to Peiping to carry

out the following instructions issued by the Shanghai headquarters of the Comintern

" 1. The yashika (?) of Tientsin should carry on an exposure campaign through the Communists among the student population of the Peiping-Tientsin area regarding the increase of North China garrison by Japan and the Japanese smuggling activities, so as to stir up anti Japanese feeling

" 2 Mobilize the students during the summer vacation, and let them go on lecturing in rural districts to spread anti-Japanese sentiment among the farming population

' 3 Carry on the anti Japanese movement and boycott simultaneously For the enforcement of boycott, take up the question of smuggling and say that the entire Japanese goods in North China are smuggled goods In this way the popular antipathy towards Japanese goods may be aroused At the same time try to suppress the purchase of Japanese goods by announcing that the Nanking Government is preparing punitive measures against the purchasers of Japanese goods "

In December, 1936, the world was treated to the tragic-comedy of Chiang Kai-shek's capture and imprisonment by Chang Hsueh-liang and Yang Hu cheng at Sianfu, capital of Shensi province One of the captors, Chang Hsueh-liang, be it remembered, was one-time anti-Japanese warlord of Manchuria He had schemed to destroy Japanese enterprises in Manchuria, which brought down Japan's wrath upon him and resulted in his expulsion from that country in 1931 Then he went to Paris and there lived a life of pleasure for two years, spending some of the millions he had plundered from the people whom he had once ruled In 1934 this prodigal son returned to Shanghai

Soon thereafter Generalissimo Chiang Kai-shek appointed Chang Hsueh liang " Pacification Commissioner," whose function was to subjugate Communists in Honan and Shansi provinces Was it a mere coincidence

or was it a deliberate design that Chiang Kai-shek chose this Japanese hater for the job of "pacifying" the Communist forces steadily moving towards North China, where Japan had particular interest?

Hardly had this Japanese-hating ex-warlord of Manchuria been installed as "Pacification" commander than he began to flirt with the Communists, telling them that their real enemy was Japan rather than Chiang Kai-shek. Instead of fighting the Communists, Chang Hsueh-liang made them the tools of his designs against Japan, upon whom he was determined to wreak vengeance by hook or by crook. Indeed, Chang Hsueh-liang was known to have been in touch with Moscow while he was in Europe. No doubt he was on intimate terms with Red agents in China after his return home. All this was known to the Nanking Generalissimo, and yet he appointed Chang to the post, which was to bring him in direct contact with the native Reds, who had made "Down with the Japanese" and "War against Japan" their slogans for the purpose of camouflaging their Communism.

Now the curious thing was that this man, Chang Hsueh-liang, captured and imprisoned the Nanking Generalissimo who had conferred upon him the honour of a high military position. Why did Chang Hsueh-liang commit this act of betrayal? Because he was a tool of Moscow, who wanted to stop Generalissimo Chiang's eight-year-old anti-Communist campaign or else have him summarily removed by desperate means, and also because he, Chang Hsueh-liang, wanted the Nanking Generalissimo to espouse the anti-Japanese cause of the Communists, so that he might satisfy his long-cherished

Generalissimo, who went to her husband's rescue by aeroplane. As a matter of fact, Madame Chiang's part was only to carry with her huge bundles of banknotes of ransom money to be paid to the captors. But it was not the money alone which saved Chiang Kai-shek. In addition Chiang himself agreed, or was forced to agree, not only to liquidate his campaign against the Communists, but to extend material support to them on condition that the Reds would no longer bother him, but would penetrate into North China to plague the Japanese.

Thus did Chiang Kai-shek surrender to the Communists, whom he had pursued ever since 1928, after he had renounced his relationship with Moscow, whose representatives, Botodin and Galen (General Bluecher), had been his advisers. Did he do this willingly, or did he submit to this ignominy to save his life? Whatever the motive, the die was cast, and he would have to adhere to the agreement unless and until he feels himself power-

native Communist army and with Moscow. It was evident that Chang, instead of "pacifying" the Red forces, had been instigating them against Japan. His scheme was to let the Reds penetrate into the Inner Mongolian provinces of Suiyuan and Chahar, with a view to effecting a junction with the Red régime of Outer Mongolia, virtually a Soviet province. And the ominous part was that Generalissimo Chiang Kai-shek had appointed this man, Chang Hsueh-lang, to the anti-Communist post knowing full well that Chang's cherished desire was to embarrass Japan through Red activities. Thus, long before the outbreak of the present Sino-Japanese hostilities, there had existed a tacit understanding between Generalissimo Chiang Kai-shek and the Red forces.

Generalissimo Chiang Kai-shek having made peace with the Communists, renamed the Red forces the Eight Route Army, thus converting them into an integral part of the huge Nationalist army. Chu Teh, the recognized Red military leader under Moscow's direction, and assisted by Moscow's agents, appointed himself the Commander in Chief of this new army, whose strength has been variously estimated between 150,000 and 200,000. This is the backbone of the gigantic armies fighting the Japanese in Shansi, Suiyuan, Hopei, and the neighbouring regions since August, 1937.

CHAPTER III

THE KOMINTERN-KUOMINTANG ALLIANCE

The Komintern, more commonly Comintern, is, as all know, the Communist International, whose world-wide ramifications centre at Moscow. The Kuomintang is, as most people do not know, the anglicized form of the Chinese name of the Nationalist Party, which controls the Nationalist Government of China.

The similarity of sound between the two names is not accidental, for the Kuomintang, as reorganized in 1923, is an illegitimate offspring of the Comintern. We say "illegitimate" advisedly because the Communist International never admits itself to be the father of the Kuomintang.

It was upon the advice of Joffe, Borodin, and other Red agents that Dr Sun Yat sen reorganized the Kuomintang after the pattern of the Comintern. The Moscow agents preferred to make a native Communist Party the dominant party of China, but they recognized that time was not ripe for such a radical move. So they told Sun Yat sen to reorganize the old party along Nationalistic lines, but adopting some of the Comintern ideology and technique.

To Red minds, however, the Kuomintang was but a prelude to the Comintern. They were certain that the Kuomintang could be gradually converted into a Communist party through a process of infiltration, and by inculcating upon it ideas which would slowly but steadily change its original character.

Red Russia began to court China as early as 1919, when the Bolshevik régime, through its Vice-Commissar of Foreign Affairs, Mr. Karahan, issued a startling statement addressed to the Chinese people. It stated that the Soviet Government "has given up all the conquests made by the Czarist Government which robbed China of Manchuria and other territories," and that "it returns to the Chinese people, without demanding any kind of compensation, the Chinese Eastern Railway as well as all mining concessions, factories, gold mines, and all other things which were seized from them by the Government of the Czar, that of Kerensky, and the brigands Horvath, Semenov, Koltchak, the Russian ex-generals, merchants, and capitalists."

This pronouncement was to the Chinese like strong wine, intoxicating them with the hope that their long-coveted goal was at last coming within their reach. Were the Bolsheviks sincere in this profession? Did they really mean to restore to China what their predatory predecessors had "stolen" from her? The answer, in the light of subsequent events, is in the negative. The profession of renunciation was made merely to bribe the Chinese into recognizing the Red Government at a time when it was looked upon as a pariah.

As the Bolshevik Government became better established its "generosity" towards China proportionately changed—so much so that in 1929 it mobilized troops and aeroplanes and invaded Manchuria to protect its Chinese Eastern Railway, which it had through the Karahan declaration promised to return to China without

its disruptive movement in China While dealing officially with the uncertain Central Government, then still in Peking, it dealt clandestinely with the Canton faction, whose central figure was Dr Sun Yat sen, with Feng Yu hsiang, the unsavoury "Christian General," and with Chang Tso-lin, "warlord" of Manchuria

To the Cantonese and to Feng Yu hsiang in particular Moscow extended very substantial aid in men, money, and arms, though it was fully aware that the two were working at cross purposes Red Imperialism has never been interested in the unification of China On the contrary, it concocted nefarious schemes to further China's internal dissension, because its ultimate objective was revolution, which it knew threw on chaos rather than on unity

The Kuomintang, or the Cantonese Nationalist Party, was the main object at which Moscow's machinations were directed In December, 1926, the Central Executive Committee of the Comintern, through the Soviet Government, instructed the Soviet Military Attaché at Peking that "every attention must be paid at present to lend to the revolutionary movement in China an exclusively national character" and that "it is therefore necessary to carry on agitation in favour of the Kuomintang as the party for the national independence of China" This, in fact, had been the principle upon which the Comintern, ever since its agents began to work with the Cantonese, had carried on its operations It had feigned a sympathetic interest in the Kuomintang and financed it with a generous hand, though its real aim was to undermine it by planting native Communists and by organizing Communist nuclei or cells within that party

It was thus that for the four years 1923-26 inclusive the Kuomintang and the Comintern maintained a relationship of alliance But early in 1927 a rift was opened in this

relationship, as the right wing of the Kuomintang under Chiang Kai shek's leadership had begun to doubt the wisdom of continuing the misalliance. To Chiang Kai-shek it was imperative to win the support of the native financial clique in Shanghai, behind which loomed the much more powerful British financial organization. Without this support Chiang found it impossible to put the new Nationalist Government at Nanking upon a stable basis.

This rightist trend alarmed Moscow's agents in China so greatly that the report of the Canton District Committee of the Comintern, dated November 23, 1926, struck this pessimistic note:

Yangtse. On January 26, 1927, the Central Committee of the Communist Party in China sent this alarming report to the Comintern:

"Unluckily, at present the internal situation is very unsavourable. The right wing of the Kuomintang becomes stronger from day to day . . . Momentarily the trend within the Kuomintang is directed against Soviet Russia, the Communist Party, and the worker and peasant movement."

"The first reason for this trend to the right is Chiang's conviction that in the country there should be only one party, that the classes should be reconciled, and that there should be no class-war and no Communist Party."

"The second reason is the general opinion that the national revolution is on the verge of being successfully brought to a close. Thus, at present, Imperialism or militarism is not held to be the greatest enemy, but the Communist Party, and therefore the Russian Communist Party and the worker and peasant movement meet with opposition."

"The third reason is that people of a third category, who see the success of the Northern Expedition as well as the development of the worker and peasant movement in the hands of and under the guidance of the Communist Party, begin to be afraid."

"In consequence of these three reasons a violent spirit of very severe antagonism against the Communist Party is arising in the Kuomintang. The principal question at the present juncture, which should be considered, is a possible union of the foreign Imperialists and the right wing of the Kuomintang with another group, the so-called moderates, and this may result in a concerted movement, both inwardly and outwardly, against Russia, Communism, and the worker and peasant movement. This is a very dangerous and yet a quite possible contingency."

By then, however, the seeds of unrest sowed in China by the Comintern had come to fruition, and in various provinces south of the Yangtse the Communist armies, under Moscow-trained native strategists assisted by Russian officers and political advisers, had begun to harass the Government.

Against these Red forces Chiang Kai-shek waged a bitter and protracted war. By the beginning of 1935, the Red Army, defeated by Chiang, had begun to evacuate Kiangsi province, and in 1936 it withdrew to the western provinces of Sze-chuan, Kansu, Shensi, and Shansi. This westward movement was in accordance with the order of the Comintern which undoubtedly believed that the Chinese Reds could be aided from Moscow via Outer Mongolia, if they moved west and established themselves in Ning-hsia and Suiyuan provinces of Inner Mongolia.

Then on December 14, 1936, like a bolt from the blue, news was flashed from China that Generalissimo Chiang while on a tour of military inspection, was captured and held at Sianfu, capital of Shensi province, by General Chang Hsueh-liang, formerly of Manchuria, now a recognized tool of Moscow. Out of the welter of sensational reports on this episode emerged this all-important fact, namely, that Chiang Kai-shek, besides paying a large ransom, signed an agreement under which the Red Army was to get from the Nanking Government money and arms with which to fight Japan, while Chiang Kai-shek was to liquidate the seven-year-old campaign against the Reds. Chiang Kai-shek could not refuse to sign this agreement as he himself had, for reasons of domestic politics, held up Japan as China's irreconcilable enemy.

Immediately after this dramatic *démarrée*, that is, in January, 1937, the Central Executive Committee of the Nationalist Party at Nanking adopted a resolution where-

by the party platform was so modified as to harmonize it with Communist ideology. Thus was the Comintern-Kuomintang alliance broken by Chiang Kai shek in 1927, restored by the same Chiang Kai shek.

Then began the open onrush into Nanking of Communist leaders who had been engaged in underground operations or had remained in the background. Feng Yu hsiang, the "Christian General," the notorious anti-British anti-Japanese tool of Moscow, who had been in retirement in Taishan in Shantung province strode back to the Nationalist capital and was given a high military position. Sun Fo and Madame Sung Ching-ling, pro-Soviet son and widow of Dr Sun Yat-sen respectively, regained their influence after several years of comparative obscurity. Chu En lai, the civilian leader of the Chinese Communist Party, was welcomed to Nanking as the official representative of that party. Yu Yu jen and other leftists, who had been held at arm's length by Chiang Kai shek, began to reassert their power and influence. The membership of the newly organized National Council was almost equally divided between Communists and Nationalists. The Communist agitators who had been in gaol, both Chinese and Russians, were set free. Mr and Mrs Noulen, imprisoned in 1931 as Soviet agents inciting disturbance, were freed.

On the other hand, rightist politicians and militarists such as Wang Chang ming and General Ho Ying-chin, though still holding their official positions, lost much of their influence. Generalissimo Chiang Kai shek himself lost face as a result of his captivity and his abject

As generally understood in the Far East this apparently innocent agreement is supplemented by a pact of mutual assistance of a military nature. This supplementary instrument was concluded not between the Nanking and Soviet Government, but between the Chinese Communist Party, represented by Chu En Iai, and the Comintern, represented by Mr Lepin, with the approval of the two respective Governments. Although it is termed a special agreement of trade and intercourse, it stipulates Russia's military assistance to China and China's recognition of the Comintern's activities within her jurisdiction. The agreement consists of five sections and twenty-eight articles. Its provisions are understood to be as follows:

1 To organize a joint Sino-Soviet defence Committee with headquarters at Ulan Bator the capital of Outer Mongolia [which is ruled by the Soviet Government]

2 The Chinese Communist Party and the Comintern to undertake every possible operation for the attainment of these objectives

- (a) To invite international intervention in the Sino-Japanese dispute
- (b) To defeat the purpose of the anti Comintern pacts
- (c) To extend the Sino-Soviet non-aggression pact to other countries

3 Soviet Russia will supply China with arms and other war materials and if necessary volunteers and engineers. China is to deposit in the Soviet National Bank half the sum required for the purchase of war supplies.

4 China to permit the officials of the Comintern to engage in various activities within her jurisdiction in accordance with the highest policy of the Comintern. Such activities to be determined with the approval of the Chinese Government.

5 China to recognize the freedom of Russia's military, economic and political activities in Outer Mongolia and Hsin Kiang (Chinese Turkestan). China also is to recognize the consequences of such activities in those regions.

6 China to grant to Russia the right of constructing a railway from Outer Mongolia to China proper by way of Hsin-Kiang and Kansu

If the above terms are carried into effect, Soviet Russia's long cherished ambition to convert the Kuomintang into a Communist Party will not be difficult of attainment To expedite the execution of this agreement and to assist China in her present campaign against Japan, Mr Smirnoff, formerly Deputy War Commissar of the Soviet Government, has gone to Nanking as ambassador under the assumed name of Lugants-Oretsky, just as General Bluecher, now Commander-in-Chief of the Red Army in East Siberia, went to Canton in 1924 as Mr Galen One looks askance at a Government whose high officials masquerade under false names, especially when going abroad

Meanwhile, what will be Generalissimo Chiang Kai-shek's position? Possibly he looks upon his capitulation to the Reds as a momentary expedient But it is equally likely that the temporary expedient will prove a permanent disaster If Chiang Kai-shek is still powerful enough, he may yet resort to another *coup d'état* to regain his former authority His humiliation at the hands of the Communists, coupled with the defeat of his army by the Japanese, has so seriously diminished his powers as to render such a coup highly improbable

Had Chiang Kai-shek been clear sighted, he would have accepted Japan's repeated overture for a Sino-Japanese joint action against the Communist menace Had he chosen this course the Communist forces could have been decisively defeated, he would never have been forced to enter into so ignominious an alliance with the Reds China could have been unified and peace established throughout the country, foreign enterprises and investments would have been made secure; above

all, his disastrous, unfortunate conflict with Japan would have been forestalled. His shortsightedness in rejecting the Japanese proffer of co-operation, his clandestine encouragement of anti-Japanese agitation, his covert design to set the Red forces against Japan—all this brought down upon him what appears to be an irretrievable disaster. Should the native Communists, with the aid of Comintern, gain the upper hand, foreign investments and foreign enterprises in China would be jeopardized. As we have repeatedly noted, Moscow's aim is to destroy foreign Capitalism or Imperialism in China as a step toward the destruction of Capitalism first in Europe and Japan and then in America.

Chiang Kai-shek has opened Pandora's box. What has already emerged from it gives a clear intimation of what is ahead for China.

CHAPTER IV

JAPAN FACES RED IMPERIALISM

I

When Japan says Communism in China is a menace, she has in mind not "the spread of a political doctrine" but the armed violence, riots, assassinations, murders, organized boycotts and agitation against Japan instigated and incited by the Chinese who profess Communism and who are supported by the Comintern operating in the shadow of Kremlin.

When the Soviet Government blandly tells us that the Comintern is independent of it, and *vice versa* it plays the ostrich Moscow, indeed, is the key to the situation. The secret documents seized at London, Peking, Tientsin, and Canton conclusively prove that between 1923 and 1927 Moscow poured money and arms into China to incite militarist rebellion, violent labour disputes, students' demonstrations etc., all for the purpose of disturbing and disrupting China, to the end that the revolution which might thus be created would strike a blow at European and Japanese Capitalism.

In the early stages of the Soviet régime at Moscow, the Kremlin, as we have seen, adopted what was called the "Asia Détour" policy. Its greatest objective was China with her teeming millions, hungry, rebellious, plundered by militarists and bandits, "squeezed" by officials. As Mr J. O. P. Bland in his illuminating book "China the Pit of It," says "Every Chinese of the 'have nots' class every desperate victim of the present anarchy, is a Communist, in the sense that he is ready to support any

faction which promises him a chance of transferring other people's property to himself; and the landless survivors of civil war, flood, and famine are naturally disposed to support a 'revolution for the protection of the land.' " Here, then, was a vast country disorganized and chaotic, a great and fertile field for Communist exploitation. Revolutionize the Chinese masses, and the revolution will soon spread to India and eventually to Europe. That was the Soviet idea.

Communist Imperialism moves eastward like a glacier, as did Czarist Imperialism at the turn of the century. It has overwhelmed Outer Mongolia. It has virtually annexed Hsinkiang. It schemed the absorption of Inner Mongolia by supplying Chinese militarists, particularly Feng Yu-hsiang, with men, money, and arms.

Consider these simple facts.

	Area <i>sq m</i>	Population	Army
Soviet Empire including Outer Mongolia and Chinese Turkestan	9,726,000	169,440,000	2,000,000
China	1,533,000	548,820,000	2,500,000
Japan, Korea, Manchoukuo	624,400	121,000,000	300,000

Remember, too, that the population of Soviet Russia, with its birth rate highest in Europe, is increasing at a yearly rate of 3,000,000, while Japan's increase is less than a million. This is an ominous question which must be pondered over not only by Japan but by all nations, particularly European Powers. Says Dr Robert B Kuczynski, noted German demographer.

" If fertility and mortality remain in Western and Northern Europe what they were in 1933, the population, which is now about 193,000,000, would reach its maximum of 196,000,000

or 197,000,000 in the late 1940's, but by the year 2000 would be reduced to about 150,000,000

"If the population of Soviet Russia continues to grow as, according to the official figure, it has grown, it would by the year 2000 amount to about 650,000,000"

The birth-rate in non-Russian Europe has been declining in the past fifty years. Since the World War the rate of decline has been accelerated, with the result that it no longer reproduces itself. Germany, England, and France belong to this category. Despite Hitler's and Mussolini's strenuous efforts to stimulate the birth-rate, the result has been negligible. Soviet Russia, already a colossus, will grow immeasurably bigger in terms of population if it maintains its present birth-rate. Yet our well-meaning American and European friends design to tell us that we must practise birth control to solve our population problem!

Soviet Russia's defence expenditure for 1936 amounted to \$2,960,000,010. For 1937 this sum was increased to \$4,000,000,000. In comparison Japan's defence budget is a puny affair.

The Red Army is so gigantic that 250,000 men could be placed at Japan's door along the Manchoukuo border without putting undue strain upon its defence on the European fronts—that is, the remainder of the Red Army would be numerically superior to Germany's 550,000 men, France's 640,000, or Italy's 600,000 of whom 200,000 are in Ethiopia.

Says Captain Liddell Hart

According to Defence Commissar Voroshiloff, the average mechanized horsepower per man in the Red Army has been increased from 2·6 in 1929 to 7·74 in 1933. The increase since 1933 must have been even greater. The Army had some 7,000 aeroplanes, 60 per cent. of which are up-to-date long range bombers. "We have hundreds of air destroyers with a speed of 360 miles an hour," boasts Commissar Khrapin. Thousands of infantrymen are being trained in parachute jumping, so that "we can drop from the skies a battalion of fully armed troops behind the enemy lines in ten minutes." Actually the Red force near Manchoukuo is reported to comprise 200,000 soldiers with 1,000 planes.

Neither Red ideology nor even the Red Army would seriously disturb Japan if neither were used for aggressive, disruptive purposes in Eastern Asia. But both are being used for such purposes.

In the palmy days of the Czarist Empire, Russia moved towards the East like a tidal wave. It engulfed Manchuria and was on its way to China when Japan appeared upon the scene and, by desperate struggle, rolled it back, but only to North Manchuria, where Russia decided to bide her time, intent upon resuming the traditional march towards China at the first opportune moment.

This traditional Russian outlook has not changed under the Red regime. Although the new masters of the Kremlin were willing neither to renounce vested Russian rights in North Manchuria nor the traditional policy of Russifying China, it had to bow to the inevitable, at least in Manchuria, particularly now that that region had come under Japanese protection and tutelage. The only wise course for it is to make a strategic retreat from Manchuria and seek the line or lines of least resistance in other directions. Two alternatives were open to Red Russia:

One was to use Outer Mongolia as the vantage ground from which to make incursions into North China through Inner Mongolia. The other was to control Hsinkiang, through which she hoped to enter the heart of China, the Yangtse valley, by way of Kansu and Sze chuan.

II

Let us see, first, what has become of Outer Mongolia. As early as 1921 a large contingent of the Red Army entered Outer Mongolia to clear the country of the anti-Red forces under General Ungern. When this task was done, the Russians assisted the natives in setting up at Urga (now Ulan-Bator) a 'provisional people's revolutionary government' of Mongolia. The Premiership and Foreign Ministry were filled by Comrade Bodo, a former lama and teacher of the Mongol language in a Russian school. The Minister of War was a butcher. The Financial Minister was the only man in the Cabinet who had education, of a sort. None of the influential and able Mongols were included in the administration. Every governmental office had three principal officers—a Mongol who was a nominal chief, a Communist Russian who was the real head, and a Buriat who was trained in Soviet practices and who acted as a liaison between the Mongol and the Russian. The Russians enlisted riff-raff elements of the Mongols to maintain the Red régime by "strong-arm" methods.

The economic and financial policy inaugurated by the proletarian régime put a crushing burden upon the natives, but worked to the benefit of Russia. It levied heavy customs duties except on goods exported to or imported from Russia. It imposed high income taxes and confiscated private property. No money could be taken out of the country except to Russia. Natives who attempted

to flee to Inner Mongolia to escape the tyranny of the new régime were shot down or brought back to Outer Mongolia to be put in gaol. Such rebellious elements as have existed have been crushed by much the same ruthless methods as are employed in crushing similar elements in Russia. Naturally, discontent has been rife, though its intensity and extent cannot be ascertained, as no foreigners are admitted there. Americans, Europeans, Japanese, and Chinese are all excluded from it. No foreign consulate can be opened there. If a foreigner wishing to enter Mongolia applies to the Mongol "embassy" at Moscow for a visa, he is told to go to the Soviet Foreign Office. If he goes to the Soviet Foreign Office he is referred back to the Mongol embassy.

On May 31, 1924, China and Soviet Russia signed an "Agreement on General Principles," but without settling the Mongolian question. The agreement, in Article V merely stated that the date for withdrawing Soviet troops from Outer Mongolia was to be settled at a later conference. This conference, which according to Article II was to have been held within one month after the signing of the said agreement, has never been held. The Mongolian army has been drilled and officered by Russians and provided with Russian arms and ammunitions. The Mongolian government has been forced to renounce Chinese sovereignty and to accept Russian protection. A Mongolian national bank has been set up with Russian capital and under Russian management, giving Russia a complete control of Mongolian finance. The name of the capital of Mongolia has been changed from Urga to Ulan Bator, meaning "Red leadership." The constitution drawn up by Russians calls Mongolia "a republic of independent people," its entire administrative power belonging to the working people of the country.

III

So much for the sovietization of Outer Mongolia. Much the same fate awaits Hsinkiang, or Chinese Turkestan. Ethnologically and culturally, Hsinkiang is part of Turkestan. Although it was annexed by China in the heyday of the Tsing (or Manchu) Dynasty, it was so remote and inaccessible that its Mohammedan chiefs had never been fully brought under the Chinese yoke. The successive Chinese governors of Hsinkiang, entirely out of the control of the Central Government at Peking or Nanking, have invariably maltreated the natives, while the 400,000 Chinese settlers who followed them have been no more generous towards their native neighbours.

The worst of these Chinese governors was Chin Shu Jen, who administered Hsinkiang from 1929 to 1933. He earned the nickname of "Murderous Governor" by reason of his wholesale massacre of Mohammedans.

At that time the 36th Division of the Chinese army in Kansu province was commanded by a General Ma, a Chinese Mohammedan. General Ma, responding to the urgent appeals of the persecuted Mohammedans, led his troops into Hsinkiang and carried on a consanguinary warfare against his compatriots who had abused and murdered native Mohammedans.

Governor Chin, fearful of General Ma's advance, invoked Russian aid. That furnished the U.S.S.R. with a golden opportunity to extend its influence in Hsinkiang. Russia had just completed the Turksib railway, running along the western boundary of Hsinkiang for hundreds of miles, and was ready to enter upon a contest of political and economic supremacy in that new field.

In response to Governor Chin's appeal, the Soviet Government rushed to Tehwa three bombing planes, many machine guns and rifles, and a large quantity of

ammunition That was in the autumn of 1931 With this assistance, the "Murderous Governor" was able to defeat General Ma Russia of course, demanded a high price for the aid she rendered That price was a secret "treaty" signed on November 1 1931, by which Governor Chin is said to have agreed

"To allow the Russians to export the products of Hsinkiang to Russia without special permit and without paying export duty

"To give Russia the exclusive right to promote industrial agricultural electrical and transportation enterprises for the economic development of Hsinkiang

"To allow the Russians freedom of travel in Hsinkiang

"To allow Russia to establish radio stations at Tehwa and Kashgar and to open telegraph communication between Hsinkiang and Russia

Thus did the U S S R become a power behind the gubernatorial chair of General Chin and lay the foundation for the eventual Russian control of Hsinkiang Governor Chin, with the aid of Russian money and Russian arms managed to keep his post for some time, but his maladministration was such that, in April, 1933 the native Mohammedans staged a coup at Tehwa and forced him to flee to Russia After a brief sojourn in Russia Chin secretly returned to China, but while in hiding in Shanghai in 1933 he was arrested and arraigned before the Supreme Court of Kiangsu province At the court three delegates from Hsinkiang appeared as witnesses and accused Chin of "selling" their native country to Russia As a consequence, the trade and industry of Hsinkiang were, they said, monopolized by Russians, while Communist propaganda kept pace with Russia's economic penetration According to their testimony, Russians set up shops and factories in all principal towns and put the Chinese and natives out of business

That explains why 90 per cent of Hsinkiang's foreign trade has passed into Russian hands. In 1929 Hsinkiang's trade with Soviet Russia amounted to 7,130,000 roubles. In 1931 the total increased to 24,110,000 roubles, and in 1932 to 28,000,000 roubles. Soviet officers have been drilling the natives. The Russian population in Hsinkiang has increased to 500,000. Such reports may not be entirely accurate, but there is no doubt that Soviet Russia is now firmly entrenched in Hsinkiang.

In 1932 a Sino-German company launched a project to open an airway from Shanghai to Europe by way of Hsinkiang, but due to Soviet Russia's objection the air line had to stop at Lanchow, a westernmost point in China proper.

IV

Until about 1924 Soviet Russia schemed to strike at India through Afghanistan. In February, 1921, it concluded with Afghanistan a treaty whereby each pledged itself "not to enter with any third state into a military or political agreement prejudicial to the other." The real importance of this treaty, however, was a secret annex whereby Russia was to furnish Afghanistan with the necessary funds to lay a telegraph line in the country, and also with technical experts for this work. Soviet Russia's object was to incite an Afghan war against British India, but in this it failed, because the Amir was not interested in such a misadventure.

Now Hsinkiang has become a second Afghanistan in the sense that Russo-British conflict of interest is being repeated there. Naturally, Britain did not sit with folded arms while the Soviet Union pushed its way into Hsinkiang. Soon after the construction of the Turksib railway by Russia, that is, in June, 1931, England sent to Hsinkiang an expedition equipped with aeroplanes and auto-

mobiles. The expeditionary party spent a year and a half exploring about 60 per cent. of the territory. Observing that the Mohammedans, who constituted the majority of the population, hated the Chinese and were also hostile towards the Russians, England adopted a policy of befriending and supporting them. The outstanding leader among the Mohammedans seems to be one Domora, an educator in Kashgar who had studied in Turkey, travelled in Egypt, and visited England. In about April, 1933, Domora started an independence movement in the south of Hsin-kiang. He was reported to have received thousands of rifles from British sources in India, and was, moreover, aided by some 200 British soldiers. His army strength was estimated at 40,000 men.

Thus was the provisional government of South Hsin-kiang inaugurated in the city of Kashgar towards the end of 1933. What bargain has been made between England and the improvised government is only a matter of conjecture. It is, however, generally presumed that England has obtained in South Hsin-kiang much the same privileges as were secured by Soviet Russia in North Hsin-kiang.

agitation Thus, in 1929, an independent Tibetan Government was formally inaugurated in Lhasa

Meanwhile, it was reported that Indian and British soldiers had been sent to Tibet in considerable numbers and that Tibetan troops had been trained by British officers With this aid the Dalai Lama succeeded not only in driving out all Chinese troops and officials from Tibet but also in extending his authority into parts of Inner Tibet and even Sze-chuan province What special privileges England got from the Dalai Lama in return is not clear, but the general understanding in the East is that she enjoys the exclusive right to establish a postal and air service, to import British goods into and export Tibetan goods from Tibet free of duty, to establish banking business, and to develop mineral and other resources with British capital It is also reported that England agreed to come to the rescue of the Dalai Lama should the Chinese Government renew its attempt to station troops in Tibet.

V

Let us turn to the northern and eastern boundaries of Manchoukuo Here, as elsewhere, Soviet Russia's Imperialistic designs are obvious In the past few years the world has often heard of border disputes on the Amur, Manchoukuo's river boundary in the north, and along its land boundary in the east running due south from Pogranichnaya down to the Japan Sea

On the Amur, the border disputes centre upon the islands and deltas, especially between its confluence with the Ussuri and its junction with the Sungari The Amur, in this section, is shallow, accommodating vessels drawing only four or five feet, but quite broad, ranging from half a mile to three miles from bank to bank.

Soviet Russia claims all these islands and deltas, while

Manchoukuo, with Japanese support, contests the claim. The largest of the bones of contention is a delta at the confluence of the Amur and the Ussuri close to Khabarovsk, the administrative and military centre of Far Eastern Siberia. Soviet Russia has already strongly fortified the delta and declares that it is there to stay. When Moscow proclaims to the world, as it so often does, that it will never cede an inch of land to Japan or Manchoukuo, it has in mind primarily this strategic delta.

Manchoukuo and Japan, disputing Soviet Russia's right to this strip of land, have repeatedly invited Moscow to a tripartite conference at which the delegates of the three governments concerned would discuss not merely the delta question but the general demarcation of the Siberian-Manchoukuo boundary in the light of available documents and of the generally accepted principles of international law. To this invitation the Soviet Government has as repeatedly replied that the boundary in question was fixed by the Chino-Russian treaty signed at Peking in 1860 and that there is no need of delimiting it anew as suggested by Japan. Is this right? What is the Peking treaty of 1860?

The treaty consists of fifteen articles, the first of which defines the boundary along the Amur and Sungari rivers. As the controversy is destined to persist, it is essential to keep in mind the exact wording of the article in question, to which the world has paid little attention. As translated from the Chinese by Sir Alexander Hosie, it runs as follows:

Sung a-cha shall be the boundary of the two countries from the mouth of the Ussuri southwards to Lake Hinka. The country to the east of these two rivers belongs to Russia to the west of these two rivers to China. From the source of the Sung a-cha river the frontier line of the two countries crosses Lake Hinka to the Pai ling river and from the mouth of the Pai ling river along a mountain range to the mouth of the Hu pu tu river, and from the mouth of the Hu pu tu river down the Hunchun river and along the range of mountains between that river and the sea to the mouth of the Tumen river. All to the east of this belongs to Russia all to the west to China. The frontier line of the two countries meets the river at about 20 li from its mouth."

Disregarding the minor rivers which form the southern section of the boundary between Manchoukuo and the maritime province of Russia, the essential provision is that the "country to the north of the Amur river" and the "country to the west of the Ussuri and Sungacha rivers" belong to China. Neither in Article 1 nor in those following does the treaty say a word about the islands and deltas on the rivers named.

Thus, under the treaty Russian territory begins on the north bank of the Amur and the east bank of the Ussuri, while Manchoukuo's domain begins on the south and west banks respectively of those rivers. This leaves the islands and deltas no man's lands whose ownership must be determined by further negotiations between the nations concerned.

According to the established principles of international law, the boundary line of an international river is its main channel. That is exactly what Japan has proposed, not once but repeatedly. Yet the Soviet Government has stubbornly refused to accept this reasonable proposal. The assumption is that Moscow does not want the river surveyed, because it already knows as do Japan and Manchoukuo, that most of the islands in dispute,

including the largest one mentioned above, are on the Manchoukuo side of the main channel.

As to the land boundary in the east, the Soviet Government's attitude is equally evasive. Here the demarcation consists of a few stone markers put up almost a century ago, along a boundary extending over 200 miles. Manchoukuo contends that the marking stones are much too few and that even those few have changed their original positions through tampering by the Russians under the Czarist régime bent upon territorial expansion. Therefore Manchoukuo and Japan demand that a thoroughgoing investigation be instituted by a Soviet-Manchoukuo-Japanese commission for the new delimitation of this land frontier. No proposal can be more reasonable. Yet Moscow turns a deaf ear to it.

Such is Red Imperialism, which its peripatetic mouth-piece Tovarich Litvinoff advertises abroad as peace-loving democracy. As a practical matter, it destroys democracy and disturbs peace everywhere. It begets dictatorships and militarism in the countries which are unfortunate enough to be its immediate neighbours, because such countries must perforce determine their defence with an eye upon the gigantic war machinery which the Red dictator can and will set in motion at his own sweet will. Dictatorships are contagious and contaminating.

Japan for one, has to thank Red dictatorship and Red militarism for the recent militaristic trend in her midst. None not even a rabid Japanophobe abroad, can deny that during the decade following the World War Japan's national sentiment was so anti-militaristic that neither the people nor the Diet would approve appropriations for much needed new arms and for the mechanization of the army, in which she was deplorably lagging behind other Powers.

As with armament, so with personnel. Between 1922 and 1924 1,800 officers and 36,000 men were dismissed. The readjustment also shortened the terms of active service and abolished certain garrisons in Korea. The total reduction thus effected amounted to five divisions on peace footing. Again, in 1925, four more divisions, including sixteen infantry regiments, four cavalry regiments, four field artillery regiments, four engineer battalions, four commissariat battalions, and a motor car battalion were abolished, eliminating 37,000 officers and men.

Meanwhile, Soviet Russia piled up armaments upon the backs of the peasants and the workers. Its military expansion has been on such a gigantic scale that small nations are dismayed. Particularly in Japan its repercussions have been deplorable, resulting in persistent militarist demand for greater armament and in increasing powers for the army and navy.

CHAPTER V

JAPAN AGGRESSIVE OR AGGRIEVED?

I

In all sincerity Japan believes herself the aggrieved party in the present conflict in China. This Japanese conviction is based not merely upon the fact that the immediate occasion of the hostilities clearly showed the Chinese troops to be the assailants, but also upon the sequence of events extending over forty years during which Japan made sincere and strenuous efforts to befriend China. If justification for Japan's acts in North China and at Shanghai in the months following July, 1937, were sought only in the assaults of Chinese troops upon the Japanese garrison at Peiping and the murder of a Japanese naval officer and his chauffeur by Chinese regulars at Shanghai one might be excused for doubting the genuineness of the Japanese grievance. But when forty years' record of the Japanese struggle for and in China is closely examined, no one can doubt that Japan has a grave case against China.

Let us begin at the beginning. The Europeans and Americans who watched with a certain pride Japan's spectacular rise as a world Power will concede that our war with China in 1894 was not a war of sheer aggression—that it was rather a war of civilization against benighted medievalism, of political honesty against corruption of order against chaos. Japan saw a grave menace in a benighted, corrupt, chaotic Korea, because such a Korea was certain to be preyed upon by Czarist Russia intent

upon dominating the whole of the Far East, including Japan herself. Therefore Japan urged upon Korea a programme of reform. But China, under Czarist influence, stood in the way. China, claiming a questionable suzerainty or even sovereignty over Korea, blocked all plans of administrative and political reform proposed by Japan. This continuous struggle of ten years resulted in a war between Japan and China. As Dr William Elliot Griffis, eminent historian of Japan, rightly observed

"Down at the bottom this Chino-Japanese war meant, in its provocation and origin, the right of a nation to change its civilization. It is difficult for people in the Occident to understand the depth of pedantic polemic that underlies the estrangement between New Japan and unawakened China. For years the idea in Peking had been that Japan was not only a 'neighbour disturbing nation' but had been colossally wicked in discarding the Chinese calendar and in turning away from Confucianism and the civilization of the sages to adopt and assimilate that of Christendom."

In the very early stage of the Sino Japanese war the American Government, through its Minister at Peking, Mr. Charles Denby, advised China to come to terms with Japan with the sincere intention of establishing harmonious co-operation with Tokyo. In one of his official dispatches to the State Department, Mr. Denby said.

"Of the two Oriental Powers which were opened to Western civilization by foreign guns, one accepted the results, the other rejected them. Japan is now doing for China what the United States did for Japan. She has learnt Western civilization and she is forcing it on her unwieldy neighbour. The only hope in the world for China is to take the lesson, rude as it is, to heart."

It was Mr. Denby's and his Government's belief that China's wisest course lay in a wholehearted *rapprochement*

with Japan, without cherishing the futile hope for Western intervention in her interest China turned a deaf ear to this counsel Instead she moved heaven and earth to cause Germany, Russia, and France to intervene against Japan when the peace treaty of Shimonoseki was signed

For the moment China seemed to have scored a success, for Japan was forced to retrocede the Liaotung peninsula at the southern tip of Manchuria Soon, however, China's folly in this misadventure became obvious Russia all but swallowed up Manchuria, Germany appropriated Shantung, France took Kwang chow Bay in the south Russia's ultimate objective was to extend her sphere of influence far into North China

II

Thus, at the turn of the century, China was on the verge of dismemberment Alarmed by this turn of events, Japan in 1901 approached Great Britain, America, and Germany with a view to enlisting their co-operation in her efforts to checkmate the Russian advance None encouraged her America had announced the open-door doctrine but as for defending it by force, she considered it out of the question Not would England go any further than writing notes to St Petersburg

Japan, singlehanded, defeated the Muscovite and bolstered up the tottering structure of the Chinese Empire That imposed appalling sacrifices upon Japan, but Japan bore them in the hope that they might serve to awaken the Chinese, and make him co-operate with her in an attempt to put his house in order

China balked Worse, she intrigued with various third Powers to cripple Japanese enterprise in Manchuria —enterprises which Japan had to maintain if she was to fortify herself against a possible Russian revenge

Happily, in those days the British Government clearly understood Japan's motives and intentions, and discouraged all private British enterprise which came in conflict with Japanese interests in Manchuria. This official attitude found a reflection in the following editorial published in *The Times* in July, 1909.

"There is little doubt that one of China's objects in handling the Manchurian question has been and is to create friction between Japan and other Powers. By giving to the British the contract of the Fa ku men Railway after having been informed that Japan would regard the scheme as a violation of the protocol of 1905, China doubtless hoped to embroil Great Britain with Japan. In this they were disappointed. The alliance and friendship with Japan are based too firmly on the interests of both countries to be seriously affected by such transparent 'manoeuvres'."

The obstructionist policy, so persistently pursued by the Chinese authorities both central and local, forced Japan to present to China the so called "Twenty-one Demands" in 1915. So much dust and smoke were raised by Chinese propaganda in connection with those demands that their real nature has been obscured.

The truth is that those demands, the essence of which was to safeguard Japan's interests in Manchuria, were little more than a measure of precaution conceived in a desire to fortify Japan's foothold in that region in the teeth of China's intrigues. Had China willingly co-operated with Japan following the Russo Japanese war, such demands would never have been made. As this question is again thrust into the limelight in connection with the present hostilities in China, it is essential to explain the nature of the "Twenty-one Demands" and the circumstances under which they were accepted by China.

It has been stated by the Chinese—and the statement

has been generally accepted by an uninformed world—that the Sino-Japanese agreements growing out of those demands were signed by China under duress, that is, after Japan had issued an ultimatum. This pretence is indefensible in the light of the proceedings of the 1915 negotiations.

The official records of the negotiations show that on February 12, 1915—that is, only twenty-four days after the presentation of the demands and eighty-five days before the presentation of the ultimatum—the Chinese Government offered a counter proposal in which it rejected some of the Japanese demands, but accepted most of the essential ones. All this is unequivocally stated in the Chinese counter proposal handed to the Japanese Minister at Peking on the above named date. By April 17 all of the other essential points had been agreed upon, Japan having withdrawn Group V of the demands and having also made further concessions in other respects.

In the "Biography" of Count Kato, the Japanese Foreign Minister who was responsible for the "Twenty-one Demands," it is stated that a Chinese representative in the 1915 negotiations informally asked the Japanese to issue an ultimatum because it would make it easier for President Yuan Shih kai to sign the treaty, affording him a plausible excuse before his political enemies.

The American official "Papers Relating to Foreign Relations" for the year 1915 reveal that the Washington Government informed the Japanese Government that, after a careful study of the whole matter, no objection would be raised to sixteen of the "Twenty-one Demands." This meant that the American Government had no objection to the Japanese demands relative to Manchuria and Shantung. The only demands to which America objected were those known as Group V. These

had been presented to China, as explained by the Japanese Government, not as demands but as "wishes." They were withdrawn before the final agreement was made.

The most glaring case of China's obstructionist policy and her traditional diplomacy of "playing off the remote enemy against the nearer" (for China looks upon all foreign nations as her enemies) is her secret treaty of alliance with Czarist Russia plainly aimed at Japan. Its existence had been so jealously guarded that it was not disclosed until the Washington Conference of 1921-22, where the Chinese delegation was confronted with an indisputable evidence by the Japanese. The telegraphic summary of this Sino-Russian instrument, as submitted to that Conference by the Chinese delegation, was as follows:

"Article I. The high Contracting Parties engage to support each other reciprocally, by all land and sea forces, at any aggression directed by Japan against Russian territory in Eastern Asia, China, or Korea."

"Article II. No treaty of peace with an adverse party shall be concluded by either of them without the consent of the other."

"Article III. During the military operations all Chinese ports shall be open to Russian vessels."

"Article IV. The Chinese Government consents to the construction of a railway across the provinces of Amur and Kirin in the direction of Vladivostok. The construction and exploitation of this railway shall be accorded to the Russo-Chinese Bank. The contract shall be concluded between the Chinese Minister at St Petersburg and the Russo-Chinese Bank."

"Article V. In time of war Russia shall have free use of the railway for the transport and provisioning of her troops. In time of peace Russia shall have the same right for the transit of her troops and provisions."

This was the famous Li Hung-Chang-Lobanov Treaty of May, 1896, whose existence had been vaguely known, but whose terms had long been a matter of conjecture. In accordance with this agreement, China, throughout the critical years preceding and following the Russo-Japanese war, extended clandestine aid to Russia to the detriment of Japan's interest. What wonder that Japan was constrained to urge upon China the fulfilment of conditions which she deemed essential to safeguarding her Manchurian position.

III

After the World War came the Washington Conference, where Japan made important concessions to China—concessions few nations similarly situated would have made. She gave back to China all the important rights in Shantung which she had obtained not from China but from Germany. In Manchuria itself Japan gave up certain important concessions which she had obtained from the Chinese Government. She withdrew troops which she had placed in certain interior points in China for the necessary protection of her nationals. She formally and definitely renounced her proposals which constituted Group V of the "Twenty one Demands" of 1915, and which had been more or less on the tapis, although Japan had withdrawn them in 1915.

Of course, those Japanese sacrifices were not disinterested. Japan made them in the hope that henceforth China would change her policy of antagonism towards her and that the two nations might enter into a new era of co-operation for the good of both.

At the final session of the Washington Conference, Baron Shidehara on behalf of the Japanese Government, made this statement:

"Japan believes that she has made to China every possible concession consistent with the sense of reason, fairness, and honour. She does not regret it. She rejoices in the thought that the sacrifice which she has offered will not be in vain, in the greater cause of international friendship and good will.

"We are vitally interested in a speedy establishment of peace and unity in China, and in the economic development of her vast natural resources. It is, indeed, to the Asiatic mainland that we must look primarily for raw materials and for the markets where our manufactured articles may be sold. Neither raw materials nor the markets can be had unless order, happiness, and prosperity reign in China under good and stable government. With hundreds of thousands of our nationals resident in China, with enormous amounts of our capital invested there, and with our own national existence largely dependent on that of our neighbour, we are naturally interested in that country to a greater extent than any of the countries remotely situated."

Here was an unmistakable intimation that Japan was anxious to co-operate with China on the broad principle to live and let live.

Following the Conference, Japan faithfully adhered to the spirit which she had expressed at that conference. Take, for instance, her attitude relative to the Lincheng incident. In May, 1923, the so-called "Blue Express" on the Nanking-Tientsen Railway was carrying thirty-five European and American tourists, including several women, from Nanking to Peking. They were all captured by bandits at Lincheng, in Shantung province, and were held for ransom for several weeks, during which the captives were subjected to indescribable privations—cold, hunger, thirst, sleepless nights. The foreign Powers were so shocked that some of them informally proposed that all of the main railways in China be guarded by an international police force under foreign control. A certain Power approached Japan with this suggestion.

Had Japan endorsed it, China might have lost the control of her own railways. Japan, remembering the idealism professed by the Powers at the Washington Conference, objected to the suggestion—which, of course, nipped the plan in the bud.

IV

In 1925 Baron Shidehara became Foreign Minister, which further strengthened Japan's liberal policy towards China. At the International Tariff Conference, held at Peking in 1925 for the purpose of readjusting the Powers' tariff relations with China in accordance with the Washington Conference Treaty, Japan expressed her hope for "the inauguration of a régime of tariff autonomy [for China] backed by an adequately strong and unified government, and a complete removal of all restrictions which might impede the freedom of intercourse and trade between China and other Powers."

In 1926 Baron Shidehara, speaking before the Legislature laid down these four principles of Japan's Chinese policy:

" 1 Respect the sovereignty and territorial integrity of China and scrupulously avoid all interference in her domestic strife

" 2 Promote the solidarity and economic *rapprochement* between the two nations

" 3 Entertain sympathetically and helpfully the just aspirations of the Chinese people and co-operate in their efforts for the realization of such aspirations

" 4 Maintain an attitude of patience and toleration in the present situation in China and at the same time protect Japan's legitimate and essential rights and interests by all reasonable means at the disposal of the Government"

The above announcement was in reply to China's demand for the abolition of extraterritoriality. Meanwhile the

International Commission, organized by the Powers which had participated in the Washington Conference, had been in China, studying the Chinese judiciary with a view to determining whether or not extraterritoriality should be abolished.

The Commission's report, written mostly by Mr Silas H. Strawn representing the American Government, disclosed a most arbitrary militarist domination of the judiciary and a universal miscarriage of justice in China. It stated emphatically that the termination of extraterritoriality was out of the question.

And yet Baron Shidehara was willing to negotiate with whatever government existed in China for the gradual abolition of extraterritoriality. It was understood that as a general principle he would agree to the termination of extraterritoriality, but that in the railway zone in Manchuria the Japanese judiciary must be maintained at least for some years to come. That was a great concession. Yet, in spite of this conciliatory Japanese policy, China notified Japan that she would unilaterally abrogate her commercial treaty with Japan! China never showed a desire to meet Japan half way.

From 1925 to 1927 a violent anti foreign, particularly anti British, agitation swept through the provinces south of the Yangtse river. This culminated in the horrible Nanking outrage of March 24, 1927, when all the foreign consulates and many of the foreign firms and residences and the missionary institutions were looted. The foreigners murdered included the American Vice President of Nanking University, two Englishmen, a French and an Italian priest. A number of foreign women were indescribably outraged.

Throughout that period Japan continued to be conciliatory. When the British and American warships at Nanking trained their guns upon certain sections of the

city to shield the foreigners fleeing before the Nationalist hordes, the guns of the Japanese ships were silent—this in spite of the fact that the Japanese Consulate, along with other consulates, had been sacked and that the consular staff, including the women, had been unspeakably abused.

In the wake of the Nanking incident one of the Japanese who escaped the outrages told me how he and other Japanese refugees felt when our destroyers then at Nanking "deserted" them. He said:

"We took refuge in a hulk belonging to a Japanese steamship company. Two Japanese destroyers were anchored not very far from us. So we thought ourselves safe. When the Chinese soldiers clambered on to the hulk and began to rob us we hailed the Japanese destroyers and appealed for help but there was no response. Meanwhile the British and American warships opened fire and began shelling Nanking's walled city. Then we thought that our ships would at least come to our rescue. But behold! our warships suddenly weighed anchor and moved upstream."

V

In those days Shidehara diplomacy was in full swing. The Navy had been instructed to respect Chinese susceptibilities and to do nothing which might hinder the success of the Nationalist movement. If any friction occurred between Japan and China it was generally the Japanese who retreated and let China have her own way. Baron Shidehara firmly believed that by making concessions to China Japan could convince the Chinese of the sincerity of her desire for putting Sino-Japanese relations upon a new and solid foundation. In May, 1929, Baron Shidehara appointed Mr Sadao Saburi, one of his trusted lieutenants, as Minister to China. Mr Saburi was instructed to carry out a certain conciliatory programme formulated by Baron Shidehara.

The new Minister, after a brief stay in Nanking, returned to Japan and killed himself. None knew why he committed self-immolation. He left no explanation. But many presumed, and the presumption persists, that Mr. Saburi had been so viciously rebuffed by the Nationalist politicians at Nanking that self-annihilation seemed to him the only honourable way to wipe out his personal disgrace. He followed the code and practice of the Samurai of old.

This episode calls to mind Lord Napier's tragic demise in Macao, a Portuguese possession off Canton. In 1834 he was sent to Canton in the official capacity of Consul-General but with plenary powers for diplomatic negotiations to establish trade relations between Great Britain and China. With no knowledge of Chinese assumption of superiority, Lord Napier proceeded straight to Canton and sent a letter direct to Viceroy Lu Kun. This incensed this Chinese functionary, that the "uppish" Englishman dared approach him without the intermediary of the thirteen Hongs who had the monopoly of dealing with the mundane matter of foreign trade. Lord Napier's letter was "tossed back," as the Viceroy's underling put it. The unhappy Englishman had to retreat to Macao, and there died broken-hearted, so it was said.

After Mr. Saburi's death, the Japanese Government appointed Mr. Torikichi Obata successor to the ill-fated Minister. To the amazement of Tokyo, China rejected Mr. Obata as a *persona non grata*, simply because he had happened to serve as a secretary at the Japanese Legation at Peking when Japan presented to China the "Twenty-one Demands" in 1915. Not only had Mr. Obata had no part in the formulation of those demands, but he was known to have objected to some of them, and to have gone to Tokyo to present before the Foreign Office his views for the modification of the terms.

Yet China, turning a deaf ear to all Japanese explanations, rejected Mr Obata. This taunting attitude, revealed in Mr Saburi's suicide and again brought to bold relief in Mr Obata's rejection, caused fury in Japan. Some of the metropolitan newspapers published editorials under the ominous title "We Shall Never Forget."

Even then Baron Shidehara, the Foreign Minister, did not lose hope. On January 21, 1930, he said before the Diet:

"If one takes a broader view of the future well being of both Japan and China one will be satisfied that there is no other course open than to pursue the path of mutual accord and co-operation in all their relations political and economic. Their real and lasting interests which in no way conflict but have much in common with each other, ought to be a sufficient assurance of their growing *rapprochement*. If the Chinese people awaken to these facts and show themselves responsive to the policy so outlined nothing will more conduce to the mutual welfare of both nations."

"It ought not to be difficult for the Chinese people to realize what we have in mind if they only recall the whole hearted co-operation which the Japanese representatives extended to the Chinese throughout the whole course of the Peking Tariff Conference and of the sittings of the International Commission on Extraterritoriality in 1925-26. The attitude which was then taken by Japan is the attitude she is now taking in handling the question of unequal treaties. In that spirit we gladly accepted as early as 1926 the Chinese proposal to open negotiations for the revision of the Sino-Japanese Commercial Treaty."

All this was of no avail. As Mr Rodney Gilbert author of two penetrating books—"What is Wrong With China" and "China's Unequal Treaties"—observes any conciliatory policy towards China by any foreign Power serves only to "confirm the Chinese in his self-

esteem, it convinces him that he is above the law and rightly so, and that any attempt to call to account is Imperialistic aggression."

VI

Between 1923 and 1927 this Chinese characteristic became more pronounced by reason of the counsels given by the Soviet agents whom Nationalist China had invited as advisers. The Red advisers put into the mouths of the Chinese such slogans as "Down with Foreign Imperialism," "Down with Foreign Militarism," "Down with Unequal Treaties," "Down with Great Britain," "Down with the Japanese."

In the face of China's wilful anti-foreignism, Japan's liberal policy proved futile, making Baron Shidehara appear to be a blind optimist. Even as he was speaking such sensible conciliatory words as we have quoted, Nationalist China was pushing schemes to rid Manchuria of Japanese enterprises. The trouble with Shidehara diplomacy was that it utterly failed to understand Chinese mentality, especially the Chinese mentality in those particular years when he was Foreign Minister.

To quote Mr Rodney Gilbert once more, "Generosity from a confirmed and hereditary enemy is, to the Chinese mind, either a sign of weakness or a bribe." Moreover, China had come under the sinister influence of Soviet Russia, which made no bones of "scrapping" treaties and disregarding foreign obligations. "Probably," says Mr Gilbert, "every Chinese outrage and every deliberate violation of the treaties and other bargains has been the subject of official protest by one Power or another, but the Chinese Government long since learned to pigeon-hole and forget unpleasant diplomatic correspondence. Not only was there no penalty attached to ignoring foreign protests, but the Chinese were given good reason to

believe that such a policy actually won them rewards". Indeed, China resorted to a wholesale violation of her treaties with Japan while Baron Shidehara was talking conciliation, good neighbourhood, and all that. The following is a partial list of the Sino-Japanese agreements violated in that period

- 1 Refusal to honour Articles 2 and 4 of the 1915 "Treaty respecting South Manchuria and Eastern Inner Mongolia," granting the Japanese the right to lease land for commercial and agricultural purposes
- 2 Arbitrary increase of export customs duty on coal from the Japanese-operated Fushun and Yentai mines from one tenth to four tenths of a Haikwan tale per ton. This violated Article 2 of the 'Detailed Regulations for Fushun and

lishment of Maritime Customs Office at Dairen May, 1907

10 Refusal to sell the necessary land for railway construction to the South Manchuria Railway thus making it impossible for the railway to obtain from lands along its lines the stones sands etc necessary for their repair and maintenance Thus violated Article 6 of the Sino-Russian agreement of September 1896 the provisions of which are applicable to the South Manchuria Railway under the Peking Treaty between Japan and China December 1905

11 Issuance of a secret order making it impossible for the Japanese to reside and travel outside the railway zone in South Manchuria This violated Article 3 of the Treaty respecting South Manchuria May 1915

12 Persecution of the Koreans in violation of Article 3 of the Agreement relating to Chientao September 1909

13 Illegal levy of taxes within the railway zone along the lines of the South Manchuria Railway in violation of Article 6 of the Sino-Russian agreement of September 1896 which was applicable to the South Manchuria Railway

14 Refusal to appoint a Japanese traffic manager or an adviser to the management of the Taonan-Anganchu railway in violation of the loan agreement between the Manchurian Government and the South Manchuria Railway

15 Making it impossible for the Japanese traffic managers and accountants on other Japanese financed but Chinese operated lines to exercise the authority of supervision provided in the loan agreements

16 Protests against the manufacture of shale oil from Fushun coal by the South Manchuria Railway

17 Misappropriation of the receipts of the railways financed by Japanese concerns resulting in non payment to the service of Japanese loans These receipts were used to build parallel lines to the Japanese-owned South Manchuria Railway to cripple the latter

The upshot of it all was the Manchurian upheaval of September 1931 resulting in the appearance of the new

state of Manchoukuo—another tragic example of China's shortsightedness. China, begrudging Japan the rights and privileges which the latter had legitimately acquired in Manchuria, lost the whole of that territory. Had China responded to Baron Shidehara's repeated overtures of friendliness in like spirit, the Manchuria incident would never have happened.

CHAPTER VI

JAPAN AGGRESSIVE OR AGGRIEVED?—(Continued)

I

In the Western world one thing that should be kept clearly in view is that anti-Japanese agitation in China was not an outgrowth of the secession of Manchuria, but that it had been going on for ten years or more while Japan's policy was decidedly conciliatory.

During this period China developed a technique of anti-Japanese agitation, and used it with deadly effect. In June, 1928, the National Convention of anti-Japanese Societies, which were subsidized by the Nanking Government, issued this declaration:

"The objective of our anti-Japanese movement is to ruin the Japanese by causing our economic rupture with them. The pressure will next be brought to bear upon all the rest of the Imperialist nations, with the ultimate object of nullifying all unequal treaties."

Until August, 1929, the Government-subsidized "Societies for the Revocation of Unequal Treaties" openly enforced an anti-Japanese boycott by meting out direct punishment to Chinese merchants handling Japanese goods.

This caused diplomatic complications with Japan. To circumvent Japanese protest the Nationalist Government, in August, 1929, stopped such open and direct actions. Instead it ordered that the "merchants' associations (not political societies) of every district shall hold themselves

responsible for rescuing the nation from foreign economic aggression" The Government held "such associations liable to punishment in the event of their failure to inquire into and deal adequately with every case of transactions in Japanese goods by individual merchants" This order was, of course, secretly distributed

Meanwhile all educational institutions, from kindergarten to college, were utilized to instil hostility towards Japan into infant and youthful minds This became especially noticeable when the Nationalists, under Chiang Kai shek's leadership, established a Government at Nanking in 1927 In May, 1928, the National Education Conference at Nanking adopted the following resolutions

" 1 Ample material regarding national humiliations should be included in the text books of middle and primary schools

2 On every available opportunity, the schools should be used to propagate the facts regarding our national humiliations and to impress upon the people what nation is China's foremost enemy

3 Maps and drawings illustrative of national humiliations should be provided and the attention of the students should be directed to these at every opportunity

" 4 The teachers and students should study together the methods whereby China's foremost enemy may be overthrown "

China's "foremost enemy" in the above programme meant Japan Even before this plan was adopted the books for kindergarten contained such passages as this

Japan is an enemy nation! Japan took the Loochoo islands and Taiwan from China and seized the Liaotung peninsula Japan is an aggressor nation The National Government is a government whose aim is to check Japan's aggressions and take back the above territories"

The same story is repeated in different language in

text-books for all schools and colleges As a matter of fact, China never had clear title to the Loochoo islands The island of Taiwan (Formosa) was ceded to Japan after China's war against Japan in 1894 The Liaotung peninsula was taken by Japan not from China but from Russia, after the war of 1904-05 Suppose that the Mexican Government kept alive animosity towards the United States in the minds of Mexican children by exploiting American annexations of Texas through school-books? Suppose that the British Government continued to instil anti American feeling in the plastic minds of British youth by condemning the American annexation of what is now Oregon and Washington? Suppose that this propaganda through schools resulted in an endless sequence of incidents involving the murder of Americans and the boycotting of American goods, would the Government at Washington sit with folded arms?

The Nationalist Government utilizes even text-books on arithmetic for anti Japanese propaganda For example, "Advanced Arithmetic," for primary schools, in Vol IV, p 64, gives the following question

'When Sung Che yuan attacked the Japanese troops at Hsifengkou there was a total of 50 000 soldiers Of them 25 000 were killed by Sung's men Give the percentage'

Needless to say that the secession of Manchuria comes in for a goodly share of the Chinese Government's text book assault upon Japan Its effect has been deadly In various incidents in recent years the Chinese boys and girls of fourteen or fifteen years of age whose minds had been poisoned by anti Japanese ideology in kindergartens and schools, took the leading part in the atrocities committed upon the Japanese For example, in August, 1936, two Japanese newspaper correspondents one of whom was on the foreign news staff of the Osaka

Mainichi and the *Tokyo Nichi-Nichi*, were stoned, stabbed, robbed, and murdered by a mob of children and young boys and girls in the city of Chengtu in Sze-chuan province

Equally vitriolic has been the anti-Japanese propaganda in the army. During the last ten years the country reverberated with war songs, veritable hymns of hate, exhorting the troops to destroy Japanese interests in China. The army also used clever catechisms to admonish the soldiers to look upon Japan as their irreconcilable enemy.

II

The consequence of this propaganda was deplorable. Most Chinese cities were no longer safe for Japanese residence. No longer could the Japanese go out of their homes with a sense of security. Chinese merchants would not handle Japanese goods for fear of reprisal on the part of anti Japanese organizations. Chinese who were friendly to Japan or who had business or social relations with Japanese were intimidated, blackmailed, assaulted, even murdered. The whole country was aflame with hatred of Japan—not a spontaneous combustion, but a conflagration ignited by the Nationalist Government itself.

Naturally, anti-Japanese incidents have followed one after another in rapid succession in the last few years. The following is a partial list.

I In North China

- 1 Two Chinese newspaper editors with pro-Japanese leanings were murdered in Tientsin May, 1935
- 2 A bomb was thrown into the residence of Lieut-General Tada Commander in Chief of the Japanese garrison at Tientsin wounding Chinese servants December 17 1935

3 A Manchoukuo-Chinese international train proceeding to Tientsin from the Manchoukuo border was attacked by bandits who were, investigations proved instigated by an anti Japanese organization in Tientsin Some twenty passengers were killed August, 1935

4 Two Japanese stores were looted by Chinese regulars in Taku near Tientsin January 2 1936

5 A Japanese soldier belonging to the Japanese garrison at Fengtai was pounced upon and seriously wounded by Chinese regulars near Peiping A Japanese captain who went to the Chinese barracks to demand an apology was jostled by Chinese soldiers with swords and bayonets June 26 1936

6 A Japanese was shot dead by Chinese at Fangtou Shan tung province June 19 1936

7 Two police officers of the Japanese Consulate General at Tientsin were shot at before the Consulate by guards belonging to the Chinese municipality of Tientsin One was killed the other seriously wounded July 22 1936

8 Seven soldiers of the Hopei Public Safety Corps raided and looted a Japanese language school in Tientsin and assaulted and carried away the Japanese teacher August 23, 1936

9 The Japanese cotton mills at Tsingtao Shantung province were closed for two weeks owing to a strike instigated by anti Japanese organizations October 1936

10 Two Japanese fishing boats 49 tons each while fishing off Dairen Manchoukuo were fired upon by a Chinese customs patrol boat The Chinese customs guards boarded the Japanese ships and searched them but found nothing incriminating May 23, 1937

11 A Chinese mob attacked a Japanese farming establishment near Tientsin and burned a storehouse and three dwellings injuring a number of Japanese employees June 1 1937

II In Central China

1 Warrant Officer Hideo Nakayama of the Japanese Navy was shot dead in the Shanghai International Settlement

November 9 1935 This serious case will be fully described in Chapter VIII

2 Great anti Japanese demonstrations at Hankow December 20 1935

3 About a thousand Chinese students paraded through the centre of the Shanghai International Settlement shouting Down with Japanese Imperialism! 'Drive out every Japanese from Shanghai! They distributed anti Japanese handbills December 21 1935

4 A bomb was thrown into the compound of the Japanese marine headquarters in the Shanghai International Settlement December 26 1935

5 Three thousand students assembled at the Sun Yat sen Mausoleum Nanking for anti Japanese demonstrations Also demonstrations before the Japanese Consulate General Nan king January 7 1936

6 A Japanese member of the Shanghai branch of the world famous Mitsui Trading Company of Tokyo was shot dead in the International Settlement. July 10 1936

7 Chinese roughs beat Japanese pedestrians inflicting severe injuries July 18 1936 Cases of throwing stones at Japanese women and children and other violences committed against Japanese by Chinese in Shanghai became increasingly frequent More than twenty such cases had been reported within a short period

8 The Chinese customs officials forcibly examined the leather bag carried by Secretary Matsumura of the Japanese Consulate General at Nanking upon his arrival at Shanghai although his diplomatic status was known to the Chinese August 7 1936

9 A correspondent of the Osaka Mainichi and the Tokyo Nichi Nichi and another Japanese press correspondent were pounced upon by a mob of 10 000 Chinese mostly young boys and girls and were most brutally murdered at Chengtu Sze chuan province Two other Japanese were seriously wounded August 24 1936 The local Chinese authorities did nothing to restrain the mob The Central Government at Nanking was equally indifferent The authorities of Sze chuan province

endeavoured to conceal or destroy evidence and obstructed a party of investigators sent to Chengtu by the Japanese Foreign Office. On August 26 after Japan's repeated protests the National Government convened a special session of the Administrative Yuan and ordered provincial governors to give adequate protection to Japanese nationals.

10 A Japanese consular police officer at Hankow was shot dead by a Chinese September 19 1936

11 A Japanese naval seaman was shot dead on a Shanghai street. Two other seamen were seriously wounded September 23 1936

12 Chinese rioters set on fire the office of a Japanese steamship company at Hsiangtan Hunan province September 26 1936. A bomb was thrown into the premises of the Japanese Consulate General at Changsha September 29 1936

13 Increasing cases of arbitrary illegal arrest and detention of Japanese women and children by the Chinese police of Shanghai during October 1936

14 A Japanese sailor employed by a Japanese steamship company was shot dead in Shanghai November 11 1936

15 The wife of a Japanese business man in Hankow was criminally assaulted by Chinese February 13 1937

III In South China

1 Two thousand Chinese students of middle schools held demonstrations in Swatow demanding war against Japan January 6 1936

2 A Japanese police officer attached to the Japanese Consulate at Swatow was shot dead by a Chinese while going to his office from his home January 21 1936

3 The Chinese police and customs guards raided thirty six Chinese business houses in Canton and confiscated Japanese goods during January 1936

4 Chinese shops in Canton were compelled by anti Japanese organizations to enter into mutual agreement to boycott Japanese goods July 3 1936

5 Another anti Japanese demonstration in Swatow com-

pelling the Chinese employees of Japanese shops to quit their jobs September 6, 1936

6 A Japanese drug store keeper (chemist) named Nakano was brutally murdered by Chinese soldiers of 19th Route Army at Pakhoi, Canton province, on September 3, 1936. When the mob descended upon the shop the Nakano family were eating supper. Nakano was dragged out into the street, where he was kicked beaten and murdered, while his Chinese wife was indescribably abused. The store was thoroughly looted. Japanese consular officials at Canton went to Pakhoi to investigate by steamer, but the 19th Route Army forcibly prevented them from landing. They had to return to Canton and were kept waiting twenty days before they were finally permitted to enter Pakhoi.

7 The Kuangsi provincial authorities, for no other reason but to fan anti Japanese feeling expelled all Japanese from the province March, 1937

8 A police officer of the Japanese Consulate at Swatow was brutally beaten by the Chinese police May 22, 1937

The above list shows that ten years of anti-Japanese propaganda financed and encouraged by the Nanking Government produced results more deadly than had been anticipated by Chiang Kai-shek himself. Chiang, perhaps, had no intention of making war upon Japan, but rather meant to exploit the Japanese menace for the ulterior purpose of uniting the country under his banner and of strengthening his own position. But an agitation organized on so large a scale and conducted so ruthlessly could not but lead to unforeseen consequences. Indeed, the anti-Japanese agitation got out of Chiang Kai-shek's control, and he has been forced to face Japan in the arena of battle.

III

Following the secession of Manchuria, Japan tried hard to mollify China. But China, ignoring that the secession

was due to her own shortsightedness, continued to scheme for the recovery of Manchuria. Whenever Japan sought a rapprochement, China was sure to demand the rendition of Manchoukuo. That, of course, was impossible. Manchoukuo is here to stay. Not even Japan is at liberty to abolish it, and China knows it. Yet China nags Japan on the Manchoukuo issue and continues to incite her people against Japan on that score.

In 1934 Japan made the following three proposals to China:

- 1 Prohibition of anti-Japanese agitation under Nanking's encouragement or connivance
- 2 Co-operation between Japan and China for the development of the still dormant natural resources in North China
- 3 Co-operation to check the spread of Communism

This overture was repeated several times. Paraphrased in the language of the man in the street, it meant this:

"There is no use in crying over spilt milk; it does nobody any good. Be a good sport and own that you have gambled away Manchuria. It won't come back to you, and you know it. Why cry about it? Better turn your mind to constructive things. Forget your past blunders and work for your present and future well-being. Yours is a house divided against itself. Your country suffers from internal dissensions. You are menaced by Communism from within and without. Why not work with us to check this Red menace? Then, too there are great natural resources in North China which you leave untouched. Natural resources are of no good if you do not develop them. You have plenty of man power, we have capital and engineering skill. Here is an opportunity for a partnership for the benefit of both. Let's start on the new road to mutual prosperity through mutual co-operation."

IV

But China preferred to sulk in her tent. She adopted the policy of disturbing and plaguing the Manchoukuo border by instigating "volunteers," bandits, the "Blue Shirts" and even regular troops. This was particularly noticeable in the years immediately following Manchoukuo's appearance, necessitating at times a show of force on the part of Japan, the guardian of Manchoukuo. The result was the setting up of a narrow strip of buffer territory known as the East Hopei Autonomous Region, and the conclusion of various agreements between the Japanese military authorities and the responsible military representatives of the Nanking Government.

Under one of such agreements the Nanking Government was to have refrained from sending Nationalist troops or the "Blue Shirts" into Hopei province, as their presence in that region was bound to cause trouble with the North China Administration, supposedly friendly to Japan. But this agreement was never faithfully observed. Since the beginning of 1934 the "Blue Shirts" have entered North China in increasing numbers, establishing their headquarters at Peiping, Tientsin, and Paotungfu. They are "direct-action" terrorists, intimidating and killing those who are known or suspected to be friendly to Japan.

The "Blue Shirts" are Chiang Kai-shek's counterpart of Stalin's G P U. They are a body consisting entirely of graduates of Whoangpoo Military Academy, established at Canton by Chiang Kai-shek with money furnished by Moscow. A secret organization, it jealously guards its membership and the identity of its individual members. Organized about 1928, its original object was to promote Chiang Kai-shek's personal dictatorship by removing those who stood in his way. To attain this objective the

"Blue Shirts" employ the most ruthless terrorist methods. During the past several years many politicians, militarists, authors, and journalists have mysteriously disappeared. They are known to have been murdered by the "Blue Shirts." In a sense the "Blue Shirts" are even more dangerous than the Soviet G.P.U., because the former are a secret body, while the latter is an openly organized institution.

As long as the "Blue Shirts" activities were entirely for the purpose of promoting Chiang Kai-shek's personal dictatorship, Japan was not concerned. But during the last several years their activities have largely been directed against Japan, inciting the Chinese populace in the North against "Japanese Imperialism," cowing any and all Chinese who believed co-operation with Japan to be the wisest course for China. A number of such Chinese have been murdered by the "Blue Shirts." The "Blue Shirts" were behind most of the atrocities committed upon the Japanese in different parts of China.

Closely allied with the "Blue Shirts" is the C.C. Corps, another secret organization. What the "C.C." means is not clear. Some say the two letters stand for the "Central Club." Others say that they represent the first letters of Chen Kuo-fu and Chen Li-fu, who are known to be the leaders of this body. While the "Blue Shirts" are a direct-action organization, the C.C.C. is engaged in propaganda, most of its members being writers and speakers. Like the "Blue Shirts," the C.C.C. was launched for the purpose of advancing Chiang Kai-shek's personal ambitions. But its activities in the past several years have been almost entirely devoted to promoting anti-Japanese propaganda.

Meanwhile, Japan strove to maintain a semblance of peace with China by entering into various agreements with local North Chinese authorities. But with the

Nanking Government determined to make war upon Japan such makeshifts were of little avail for the maintenance of peace China had chosen to cut off her nose to spite her face Instead of co-operating with Japan, China allied herself with the Communists, which will in the end prove more disastrous than all the follies she has committed China's day of reckoning is yet to come

CHAPTER VII

HOW THE HOSTILITIES BEGAN

The year 1937 dawned upon an ominous scene in China. To all critical observers it was evident that China was not drifting but consciously moving towards war against Japan. Nanking, as a consequence of Generalissimo Chiang Kai shek's alliance with the Communist army, was dominated by militarists and politicians of the leftist type. The "Blue Shirts" and the Communists, the students and the C C C were clamouring for war. A systematic, organized, officially encouraged anti-Japanese campaign of ten years had inflamed the popular mind to such an extent that the murder of and assault upon innocent Japanese civilians both official and private, and even upon Japanese military and naval officers had been reported from different parts of China with increasing frequency. To all appearances China had decided that the time to cross the Rubicon had come. She had exaggerated the significance of such events in Japan as the short-lived revolt of a small body of soldiers in Tokyo in February, 1936, and she hastened to the conclusion that the Japanese army had but feet of clay. She believed that she had at least an even chance of winning a war with Japan and of regaining the lost territory of Manchoukuo.

Nor was this Chinese self-confidence unnatural. China had 198 divisions comprising 2,250,000 officers and men. This gigantic army was further reinforced by 200,000 Communist soldiers. In comparison the Japanese army was a puny affair, consisting of 17 divisions of 300,000 officers and men on peace footing.

China moreover, had acquired in large numbers modern implements of war such as aeroplanes machine guns, tanks etc., and foreign instructors had been teaching the Chinese in their use. Some of her numerous divisions have been trained by foreign officers. Small wonder that Chinese military leaders had decided to strike.

So alarming had the situation become by the spring of 1937 that Mr Nathaniel Peffer, a well known American critic of Far Eastern affairs and a sincere friend of China writing at Shanghai last April for *Asia Magazine*, of New York sounded this warning:

What needs most to be said about China now is that the Chinese are very close to losing their balance. If they do not pull themselves up they will repeat the mistake they made almost ten years ago with the same disastrous consequences. In fact it is difficult just now to say which China has more to fear Japan or China the ambitions of the Japanese army or the state of mind of the Chinese people. The latter I am inclined to think. For it may succeed in bringing on a war that is not easy to prevent in any case but that could still be prevented. One has only to be here in China for forty-eight hours to be shocked by the recklessness with which not only students but mature and influential Chinese talk and think of war.

Much the same opinion was expressed by the *North China Daily News* that authoritative British journal in Shanghai, in an editorial for May 22, 1937. It said:

At a time when Japanese statesmen have clearly shown their desire to view Chinese affairs by a new concept it is unfortunate that certain asperities in argument have lately manifested themselves in Chinese comment on Sino-Japanese relationships.

The danger of overcalling a hand is well known to diplomats as well as to bridge players. The success of General Chiang Kai-shek in obtaining the recognition of China's equality of status as the result of his unification of the

country will only be prejudiced if the occasion is taken to claim for China a measure of military or political strength unwarranted by the facts. The man who cries before he is out of the woods is apt to receive a nasty shock. So also is he who banks too much on a forbearance which emanates from a sense of strength mistaken by him for weakness."

The "new Japanese concept" referred to in the above editorial meant, evidently, that the Japanese Cabinet, organized in February, 1937, by General Senjuno Hayashi, had shown a desire to readjust Japan's relations with China along lines even more liberal than had been followed by his predecessors. His Foreign Minister, Mr Naotake Sato, before accepting his portfolio had conferred with various military leaders, and had been given to understand that he would meet with no opposition from them if he should launch a conciliatory policy towards China. Soon thereafter the new Foreign Minister, speaking before the Legislature, clearly intimated that North China autonomy would not be essential to Japan if Nanking and Tokyo co-operated upon equal footing. Mr Yuki, Finance Minister, echoed Mr Sato by saying "Japan's economic policy cannot stand without regard to China. The army understands this now, and agrees that economic co-operation in China is essential."

But this "new concept" manifested at Tokyo made no impression upon Nanking. On the contrary, it was taken by the Chinese for a sign of weakening on the part of Japan—which made China's taunting attitude even more pronounced than ever. There was not the slightest Chinese desire to meet Japan half way. The Japanese Ambassador, Mr Shigeru Kawagoi, was virtually stranded in Nanking rendering the position of the Japanese Foreign Minister, Mr Sato, and of the entire Japanese Cabinet untenable. The fall of the Hayashi Cabinet, in

May, 1937 was partly due to the failure of its Chinese policy

Then appeared Prince Konoye's Cabinet, whose first task as that of its predecessors was the solution of the Chinese question. But even as the new Cabinet was settling down to take up its duties, the Chinese army in North China had precipitated an incident.

On the evening of July 7, 1937, some 150 Japanese soldiers were engaged in the usual manoeuvres on the usual grounds near the Marco Polo Bridge. As always before the Chinese authorities had been advised in advance. The Japanese soldiers carried no live ammunition. As usual they fired blanks.

Unexpectedly at eleven forty the same evening these Japanese soldiers were fired upon by Chinese troops of the 37th Division of the 29th Army from the direction of the Marco Polo Bridge and the village of Lung wang miao.

Before entering into the details of this first phase of the hostilities we must note that Japan is not the only nation which stations troops in the Peiping-Tientsin area. At the time the Japanese contingent was fired upon by Chinese troops the foreign garrisons in that area were as follows:

	Soldiers	Machine Guns	Cannon	Tanks and Armoured Cars
Japanese	4 080	173	38	9
American	1 227	121	13	2
British	999	64	10	0
French	1 839	135	26	10
Italian	384	62	4	4

There were in that region 17 000 Japanese whom 4 080 Japanese soldiers were expected to protect, or a little over four to each soldier. The Americans and

Europeans in the same area totalled 10,338, who relied upon the protection of 4,449 soldiers, or a little over two to each soldier.

These foreign garrisons are stationed there in accordance with the Boxer protocol, so called because it was concluded for the safeguarding of the foreigners immediately after the great anti foreign uprising known as the Boxer rebellion, which with the tacit approval of the Chinese Government, attempted to exterminate all foreigners in China. To-day, thirty-seven years after the Boxer trouble, the Powers do not as yet feel safe in committing the life and property of their respective nationals to the uncertain protection of the Chinese police and soldiery.

In the vicinity of Peiping the British, American, and Japanese garrisons hold periodic manœuvres in areas respectively assigned to them. The Americans use a place known as Happy Valley, the British and others use an area north of the American grounds, the Japanese field is a flat area near the Marco Polo Bridge.

To return to the Marco Polo Bridge incident, 150 Japanese soldiers when fired upon by the Chinese on the evening of July 7, did not and could not return the fire because they had no live ammunition. They halted their manœuvres, retreated some distance, and notified their headquarters in the former British barracks at Fengtai, some two miles away. Reinforcements arrived a little after midnight. Then the Japanese replied to the Chinese fire.

Meanwhile, the local Chinese and Japanese military authorities in Peiping were advised of the incident. Immediately they formed a joint Sino-Japanese mediation party and dispatched it to the scene. As a result, at 6 a.m., July 8 the fighting stopped.

But at 3 p.m. and again at 6 p.m. of the same day the Chinese soldiers resumed firing upon the Japanese.

The next morning July 9 a truce was arranged between a responsible representative of the 29th Army and Colonel Matsui of the Japanese force.

On July 10 between 5 p.m. and 8 p.m., more than 200 Chinese soldiers brought forth trench mortars and launched a new attack, thus utterly disregarding the truce agreement. The Japanese naturally opened fire. However a truce was again arranged as the Japanese were anxious to localize the incident and to liquidate it at once.

On July 11 the Japanese Government sent instructions to the Japanese military authorities on the spot and urged them to bend their endeavours to achieve an early settlement.

At 4 p.m. on the same day an agreement was reached between Colonel Matsui on the Japanese side and General Chang Tsu jung (Mayor of Tientsin) and Ying Yung (Chief of the Public Peace Bureau of Hopei Province in which Peiping is located) on the Chinese side. The terms of this agreement were:

1 Apology by the representatives of the 29th Army and the punishment of those directly responsible.

2 The Chinese troops to evacuate Lukouchiao village (at Marco Polo Bridge) from which they fired upon the Japanese and to be replaced by the Peace Preservation Corps for the purpose of keeping the Chinese troops sufficiently separated from the Japanese.

3 Adequate measures to be taken for curbing the activities of the anti-Japanese Blue Shirts and Communists.

There was nothing extraordinary in these terms. They were of a nature to be easily complied with. Item 3 for the curbing of the Blue Shirts and Communists had already been agreed upon long before this incident though the agreement had never been observed by Nanking as we have noted in the preceding chapters.

Both the "Blue Shirts" and the Communists were the most dangerous and disturbing elements, conducting nefarious yet violent anti-Japanese campaigns both among the civilian Chinese and the Chinese soldiers. To restore normal intercourse between Japan and China the curbing of their activities was imperative.

On July 13 General Sung Cheh-yuan, Commander of the 29th Army and Chairman of the Hopei-Chahar Political Council (which had ample power to deal with such matters as the above), went to Tientsin, and took up negotiations with Lieutenant-General Katsuki, Commander of the Japanese garrison.

General Sung virtually accepted the above terms, and on July 18 expressed to General Katsuki his regrets over the Marco Polo Bridge incident. Thus the first step was taken towards a settlement.

Meanwhile, Generalissimo Chiang Kai-shek's Government at Nanking had decided to settle the incident not by negotiations but by the arbitrament of the sword. Hardly had the first shots been heard at the Marco Polo Bridge than Nanking began to mobilize. On July 9 it dispatched four divisions and air forces to the north. These, of course, were in addition to the large forces already in North China.

By July 19 no less than thirty divisions (about 200,000 men) of the Chinese Army had been concentrated in North China. Of these, about 80,000 were in the neighbourhood of Peiping. On the same day the Nanking Government flatly notified Japan that it would recognize no local settlement of the incident, and that Tokyo must negotiate directly with Nanking. This, of course, meant that Nanking would reject the terms which had been agreed upon between the Chairman of the Hopei-Chahar Political Council and the Commander of the Japanese garrison.

The Hopei-Chahar Political Council was organized in 1935 with the explicit agreement of the Nanking Government. It had settled many important local questions, such as the restoration of mail and railway communications between Manchoukuo and North China and the establishment of customs offices along the Manchoukuo Chinese border. It had also amicably settled delicate questions arising out of the murder by anti-Japanese "Blue Shirts" of three Chinese newspaper publishers friendly to Japan and the assassination of a pro-Japanese Commander of the Peace Preservation Corps at Luan chow.

All this while the Nanking Government never raised any objection to such local settlements. Now, however, China's military leaders were evidently convinced that they were prepared to confront Japan in the arena, hence their flat rejection of the Japanese proposal for a peaceable local settlement.

Japan insisted upon peaceable local settlement of this matter (1) because the preservation of the local autonomy enunciated by the Hopei-Chahar Political Council was deemed essential to peaceful, normal relations between North China, Manchoukuo, and Japan; (2) because the increasing extension of Nationalist influence in North China meant Communist and "Blue Shirt" inroads, (3) because such a condition will lead to the joining of forces between these disturbing elements and the Red régime of Outer Mongolia.

By July 22 Generalissimo Chiang Kai shek's own divisions had entered Hopei province in violation of an agreement of 1935 under which Nanking pledged itself not to advance any of its troops into this province. (The agreement was signed by General Ho Ying-chin, Nanking's War Minister and Chairman of the Peiping branch of Nanking's Military Council, and by General Umedzu,

Commander of the Japanese garrison in North China) Such a great military concentration can be understood only in the light of Nanking's decision to settle the issue by the arbitrament of the sword, as was admitted by competent foreign observers quoted in the preceding chapter Small wonder that the officers and men of the 37th Division, which provoked the Marco Polo Bridge incident, continued defiant and recalcitrant—this in spite of the fact that this Division belonged to the 29th Army, whose Commander-in Chief was General Sung Cheh yuan himself, who had agreed to a peaceable local settlement Other divisions were equally defiant

On July 20, despite Sung Cheh-yuan's pledge, the troops of the 37th Division renewed attack upon the Japanese, again in the neighbourhood of the Marco Polo Bridge

Again General Sung Cheh yuan assured General Katsuki, the Japanese commander, that he would cause the withdrawal of the 37th Division by noon of July 21

On the same day, July 21, at 11 a.m., Generalissimo Chiang Kai shek held a war council at Nanking and formulated war measures against Japan On July 23 General Hsiung Pin, Assistant Chief of Nanking's General Staff, a right-hand man of Chiang Kai shek, flew to Peiping and Paotingfu (capital of Hopei province, ninety miles south of Peiping) and admonished the local armies to fight the Japanese, and promised them a generous aid in money, men, and arms from Nanking

Thus, notwithstanding General Sung Cheh yuan's repeated pledge for the withdrawal of the 37th Division, this same army continued to remain practically in the same position facing the Japanese

And yet on July 25 the Japanese commander expressed the opinion that the incident would be peaceably settled Even as he was speaking those optimistic words, the

Chinese army cut the Japanese military telephone line between Peiping and Tientsin. It was found that the line was cut at Langfang, half-way between those two cities.

On July 25, at 4.20 p.m., a corps of Japanese engineers, accompanied by a company of soldiers, went to Langfang under an explicit understanding with General Chang Tsu-Chung, Commander of the 38th Division, which occupied that area.

By 11 p.m. on the same day the repair work had been done. The Japanese engineers and soldiers were eating supper at the railway station. Suddenly these Japanese, while still eating, were attacked by Chinese soldiers using rifles, hand grenades, machine guns, even trench mortars.

The Japanese, under cover of darkness, held their ground in the face of the enormously superior numbers. Using the field telephone line they had just repaired, they notified their headquarters at Tientsin.

Langfang is some forty miles from Tientsin—too far to send a rescue force by ordinary means when the besieged party was in imminent danger of annihilation.

So at 7 a.m. the next day (July 26) several Japanese planes arrived at Langfang, bombed the Chinese position, and rescued the Japanese.

It was the old Chinese story—the commander of this Chinese Division had agreed to let the Japanese repair the wire, but his subordinates, whether with the connivance of their commander or not, attempted to massacre the Japanese.

By then General Katsuki, the Japanese commander, had reluctantly arrived at the conclusion that the Chinese commanders could not be trusted, either because their orders were disregarded by their subordinates, or because they were themselves treacherous, or because they were

forced to eat their own words under Nanking's promptings

Consequently, on July 25, the Japanese commander sent to General Sung Cheh yuan a note which proved to be the ultimatum. The note voiced regret at the occurrence of new clashes, and blamed them entirely on the failure of the 29th Army to carry out the terms of the agreement concluded with the Japanese authorities, and also on that army's maintenance of a provocative attitude.

If the 29th Army authorities still intended to prevent the aggravation of the situation, the note demanded that they demonstrate their sincerity by promptly effecting the complete evacuation of the 37th Division from the

On July 27 the Japanese Cabinet abandoned the hope for peaceable settlement and ordered the mobilization of reinforcements to China. Note the date: three weeks had elapsed before Japan ordered home troops to the scenes of trouble, while Nanking had mobilized on July 9. For twenty days Japan strove to minimize and localize the clash and to arrive at an amicable solution. But China was bent upon war.

Strangely, on July 27, at 11 p.m., the Nanking Government came forth with a vaguely couched overture that it would negotiate on the basis of the terms which had been agreed upon between the North China authorities and the Japanese garrison commander. It was too late. Nanking itself had cast the die. It had virtually said to the Japanese, "Come on and fight if you dare." It was evident that this eleventh-hour overture was made merely for foreign consumption—to clothe with plausibility the pretence that China wanted peace. It was made with full knowledge that it was all too late to be practicable.

Furthermore, events in North China during the preceding three weeks had conclusively proved, as we have noted, that China's words could not be trusted. Had Nanking really wanted to negotiate, it should have cancelled its warlike preparations and withdrawn the troops from certain areas in North China. This Nanking refused to do. It had overcalled its hand, fanning anti-Japanese feeling among the soldiers as well as among the masses.

On July 29 more than 3,000 soldiers of the 29th Army massacred 200 Japanese civilians in Tungchow, north of Peiping.

Almost simultaneously, on the same day, soldiers of the 29th Army launched attacks upon the Japanese concession at Tientsin with more than 10,000 Japanese civilians living in it.

CHAPTER VIII

SHANGHAI: ITS PROBLEMS

I

The preceding chapter has made it clear that Japan neither wanted nor expected to fight in North China, that in the three weeks following the Marco Polo Bridge incident, precipitated by the Chinese army, Japan arranged a truce four times, but that each time the truce was broken by the Chinese army, that during those three weeks Japan refrained from mobilizing, while Nanking mobilized immediately, that within three weeks 250,000 Chinese soldiers were concentrated in North China, while Japan was striving to settle the incident through peaceable negotiations, that the reward for the Japanese efforts for peace was the massacre of 200 Japanese civilians in Tungchow by Chinese troops and an assault by the Chinese army upon the Tientsin Japanese concession with 10,000 Japanese civilian residents.

At Shanghai, even more than at Peiping the Japanese were eager for peace. Obviously it was to their advantage not to divide their forces while the North China situation was so serious. But here, as in the north, China precipitated an "incident"—the murder of a Japanese naval officer and his seaman-chauffeur on August 9, 1937.

Before describing this incident, we must note the tense situation which had prevailed in Shanghai owing to repeated anti-Japanese outrages, the most serious of which was the murder of Warrant Officer Nakayama of the Japanese Navy. Nakayama, who belonged to the headquarters of the Japanese marine corps (called "Landing-

party" by the Japanese Navy) in the International Settlement at Shanghai, was shot dead while walking alone on a Settlement street on the evening of November 9 1935

The Japanese naval authorities and the Japanese Consulate General at Shanghai suppressed the news of this murder for half a year for fear that it might excite the Japanese community and might aggravate the unhappy condition which had grown out of the terrorist activities of anti Japanese organizations. This precaution seemed to them all the more necessary as the murderer had not been apprehended. The Chinese police, indifferent or fearful of the power behind the offender, had been inactive. Thanks however to the efforts of the foreign police of the International Settlement the criminal, Yang Wen tao by name president of a secret terrorist organization was arrested early in May 1936, almost six months after the murder.

Soon after Wen's arrest another Japanese, an official of a great Japanese trading house Mitsui & Co was shot dead on a street in the Settlement. This happened on July 10 1936. During the following few months Chinese outrages such as the beating of or throwing stones at innocent Japanese, including women and children became more and more frequent.

And on September 23 1936 a serious assault upon Japanese naval seamen took place. Several bluejackets from the flagship *Idzumo*, of the third fleet of the Japanese Navy, while leisurely strolling on a street in the International Settlement were shot at by a number of Chinese coming from behind in a motor bus. Three of the Japanese sailors were hit and fell on the side walk. One of them died shortly after, while the other two were seriously wounded. So frequent had such outrages become that the streets of the International Settlement

were no longer safe for the Japanese. And yet the Japanese naval authorities and the Japanese consulate at Shanghai did nothing more than lodge protests with the Chinese authorities, who paid no serious attention to them. Japanese patience was indeed remarkable.

II

It was in this tense atmosphere that the incident of August 9, 1937, was precipitated by the Chinese. On the evening of that day, at about six o'clock, a Japanese naval officer, Lieutenant Oyama, and his chauffeur, while driving along Monument Road, an extension of the International Settlement, were suddenly pounced upon by a large body of Chinese soldiers of the so-called Peace Preservation Corps. Oyama was instantly killed, with more than thirty bullets riddling his body. His seaman chauffeur was seriously wounded and died shortly afterwards. Both Oyama and the sailor belonged to the Japanese naval headquarters in the International Settlement.

Joint official inspections by Japanese and Chinese officials proved this to be a most blood-curdling murder. Oyama's body was mutilated out of shape. Not only was it riddled with numerous rifle bullets but it was covered with bayonet wounds. The body was dragged out of the car and was beaten with rifle butts. His skull was broken in two, his face was smashed beyond recognition. His abdomen was exposed and a big hole was cut open in his chest. All of his belongings—shoes, a watch, and a pocket-book—were stolen.

Monument Road is under the jurisdiction of the International Settlement and is open to the passage and residence of all foreigners. There was absolutely no reason why the two Japanese should be attacked.

Lieutenant Oyama was not armed, nor was his sailor chauffeur. Yet they were murdered in cold blood.

Furthermore, the above road is in the demilitarized zone established by the truce agreement of May, 1932, concluded between the Japanese and the Chinese military authorities after brief fighting at Shanghai in the spring. This zone extended for some fifteen miles to the north, west, and south of the foreign area. The agreement was witnessed and thus virtually approved by British, American, French, and Italian representatives. In order to supervise the execution and operation of that agreement a permanent International Committee, consisting of Japanese, Chinese, British, American, French, and Italian representatives, was organized.

Within the demilitarized zone no regular Chinese soldiers were to be stationed but only a Chinese police force known as the Peace Preservation Corps. At the time the above murder took place this police force comprised some 20,000 men, who were in reality soldiers.

The men on the staff of the Peace Preservation Corps were not to carry rifles, but only pistols. But an autopsy of the murdered Japanese navy men showed that the bullets lodged in their bodies were from rifles.

For some time before the murder, the foreigners in Shanghai had reason to believe that the Chinese, in violation of the 1932 truce agreement, had smuggled rifles, machine guns, and even cannon into the demilitarized zone.

This could easily be done, as the International Committee had no authority to supervise the military equipment of the Peace Preservation Corps in that zone.

III

On August 10, the morning following the murder, the Japanese Consul General in Shanghai requested a meeting

of the aforesaid International Committee, of which the foreign consuls concerned and the Chinese Mayor of Shanghai, Mr O K Yui, were members.

At this meeting the Japanese made a full report on the murder incident, and proposed that the Chinese Peace Preservation Corps be temporarily withdrawn from the section adjacent to the International Settlement and the French Concession.

The foreign members of the Committee approved this plan, while Mayor Yui promised he would do all in his power to carry it out. Meanwhile Vice Admiral Kiyoshi Hasegawa instructed the Japanese naval headquarters in the International Settlement to keep cool and do nothing to complicate the situation. He landed no marines.

On August 11 Mayor Yui evidently under pressure from Nanking's military authorities, abruptly notified the Japanese Consul that he was powerless and "could do nothing." Consequently on that evening, a contingent of Japanese marines was landed as a precaution.

Before daybreak on August 12, 1937, a large force of regulars of the Central Chinese Army advanced on Shanghai and laid siege to the Japanese residential quarters in the International Settlement.

The situation thus suddenly became very precarious. The Japanese side, still hoping that a peaceful settlement could be effected, called a conference of the joint commission of the Powers participating in the Shanghai truce agreement and again demanded the withdrawal of the Chinese forces. The representatives of the Powers recognized Japanese sincerity, and urged reconsideration upon the Chinese side.

China, however, refused to listen, and Chinese troops launched an attack on the Japanese naval landing corps before daybreak on August 13.

Taking into consideration the fact that Shanghai was

an international city and also in view of the offer of mediation by the Powers' envoys, the Japanese naval landing corps confined its action to defensive tactics so that the international area would not be involved in a conflict. Though Chinese airplanes flew low over the International Settlement, the Japanese naval landing corps refrained from firing on them.

On August 13 the British, American, and French Consuls General suggested to the Japanese and Chinese Governments that they enter into direct negotiations to avoid hostilities in the Shanghai area. The suggestion was (1) that the Chinese troops be withdrawn from the area adjacent to the International Settlement and the French Concession, (2) that the Japanese marines, who had been newly landed be withdrawn from the International Settlement, (3) that the area evacuated by the Chinese troops be policed by an international force.

The text of the proposal was received in Tokyo at midnight, August 13. On the afternoon of that very day, however, the Chinese armies which had been pouring into the Shanghai area had taken the offensive. On the following day their bombers dropped bombs not only near the headquarters of the Japanese naval landing corps, a Japanese warship, and the Japanese Consulate-General, but also in the International Settlement and the French Concession.

IV

Up to this point Vice-Admiral Hasegawa, Commander of the Japanese Fleet at Shanghai, had been most conciliatory and had done all in his power to prevent hostilities. But once he was convinced that China was bent upon war and that his intentions for peace had been mistaken for his inability to fight he became a vigorous advocate of force, urging his Government to dispatch to

Shanghai at once at least five divisions of troops. He believed that any half-way or half-hearted measure would merely add to Chinese truculence. But the Japanese army, already engrossed with the North China situation, sent only one division to Shanghai—which proved a great mistake. To rectify the deplorable effect of this initial blunder, Japan eventually had to send a much larger force than would have been necessary had she been better prepared to begin with.

That Japan was goaded into fighting in this area was fully recognized by impartial observers. The usually well-informed *New York Times* correspondent at Shanghai, on August 30, reported :

" Official foreign observers and officials of various foreign governments, who participated in various conferences here in seeking to avoid the outbreak of local hostilities, agree that the Japanese exhibited the utmost restraint under provocation, even for several days keeping all of the Japanese landing force off the streets and strictly within their own barracks, although this somewhat endangered Japanese lives and properties.

" Opinions may differ regarding the responsibility for the opening of hostilities in the vicinity of Peiping early in July," said one foreign official who was a participant in the conferences held here before August 13. " but concerning the Shanghai hostilities the records will justify only one decision. The Japanese did not want a repetition of the fighting here, and exhibited forbearance and patience, and did everything possible to avoid aggravating the situation. But they were literally pushed into the clash by the Chinese, who seemed intent on involving the foreign area and foreign interests in this clash."

Mr. Victor Keen, the *New York Herald-Tribune* correspondent in Shanghai, under date of September 16, expresses the same view .

of the fighting in North China It was hoped that by making a last stand at Shanghai, possibly some form of intervention or at least greater notice of China's case would be taken Furthermore the terrain north of Shanghai was much more suitable for defensive action than that of North China The best Chinese troops also were in this area

V

On August 18, the British Government notified both Japan and China that if the Governments of the two countries agreed to withdraw their respective forces and to entrust to foreign authorities the protection of the Japanese subjects residing in the International Settlement and on the extension roads of the Settlement, the British Government was prepared to undertake the responsibility, provided that the other Powers would co-operate

The French Government signified its intention of supporting the British proposal The United States Government had previously expressed its hope for the suspension of hostilities in the Shanghai area

This the Japanese Government declined to consider Once Japan was forced into the arena, she had no alternative but to win the fight Had she agreed to withdraw her troops in that early stage the Chinese would have considered themselves the victors Had this come to pass what would have been its effect upon the International Settlement? Would not the Chinese, puffed up with the pardonable sense of power gained from such a "victory" rush the International Settlement and put an end to that alien city, fruit of almost a century's labour on the part of Europeans and Americans? These questions are not hypothetical For well nigh twenty years China nursed a desire to gain control in the foreign area In 1927 the Nationalists, having launched a government with the help of "Red" agents, made a

serious attempt to seize the foreign controlled area of Shanghai.

This writer was in Shanghai at that critical time and saw with his own eyes the barbed-wire entanglements and sand-bag piles, barricading all the strategic points around the International Settlement and the French Concession against what seemed to be an imminent "push" by the Nationalist forces. By that time, however, the British, French, Japanese, and American forces had been greatly augmented. Together they said sternly to the onrushing Chinese: "Thus far, no further!" The mandate was obeyed, the Chinese dared not break through the barricades. Until the Nationalist troops retreated the Shanghai residents, both foreign and Chinese, had gone through days and nights of indescribable anguish.

Had Japan failed to dislodge the Chinese forces from the Yangtse-Whoangpoo triangle in the present struggle, there was not the slightest doubt that the Nationalist drive for the rendition of the International Settlement would have been revived with greater vigour. She felt that she owed it not only to herself but to the interested Powers to deal a decisive blow at the Chinese army in this region before she could consider any proposal for peace. That was why she rejected the British proposal of August 18 (Why Japan rejected the Powers' proposal at the Brussels Conference will be explained in the next chapter.)

Perhaps it is well to explain the long and bitter dispute between the foreigners and the Chinese on the status of the International Settlement. To begin with, the Settlement was established exclusively for the protection of the foreigners and not of the Chinese. It was not, as the Chinese contend it was, foisted upon an unwilling China by foreign overlords. On the contrary, it was the Chinese Government which foisted it upon the foreigners.

In the early years when China first entered into commercial treaties with Occidental Powers she looked upon all foreign nations as her vassals. It was out of the question for her to deal on equal terms with Great Britain or France or America. Her ruler, Son of Heaven itself, swayed the whole terrestrial world from a celestial dais. If foreign ships called at her ports they were there to pay tribute to her. Such was the Chinese conception.

And so China's idea in setting up a foreign Settlement was to keep the "foreign devils" cooped up in as small an area as the celestial ruler deigned to grant them. The aliens, barbarous and unclean, were not to mingle with the civilized Celestials and to defile by their presence the sacred land of the Son of Heaven.

Such was the origin of the Settlement. In due course the foreigners, by dint of assiduity and perseverance, converted the Settlement into a flowering oasis in the bleak Chinese desert. Then the "civilized" Chinese opened their eyes in wonderment and began to seek admittance into the "unclean" quarters of the foreign "barbarians," but the Settlement slammed its door in the face of the Chinese.

Then came the Taiping Rebellion in the middle of the last century, devastating the country for hundreds of miles to the south and west of Shanghai. Thousands upon thousands of natives, plundered and made homeless, knocked at the gates of the Settlement. The Settlement out of sheer compassion opened the gates. When the civil war came to an end it was impossible to eject the refugees. Thus was the former policy of exclusion reversed by the Settlement.

To-day there are almost a million Chinese living in the Settlement. They are there not by virtue of any treaty but by sufferance. Their numerical superiority is such that the Settlement had, willy-nilly, to extend its

matter which rankles in the native mind. Up to August, 1926, the Settlement had the so-called Mixed Court. It was presided over by a Chinese magistrate, but his decisions were invalid unless approved by a foreign assessor, who was usually of the nationality of the foreign plaintiff or complainant and who sat with the magistrate in the court. The Mixed Court claimed jurisdiction over all cases originating in the Settlement, except those in which the defendant was a foreigner and which, under the extra-territorial agreements between China and the Powers, were handed over to the consular court of the country of which the defendant was a citizen. Originally the court concerned itself with civil cases in which the plaintiff was a foreigner and the defendant a Chinese, as well as criminal cases in which the defendant was a Chinese. Gradually, however, it extended its jurisdiction over cases between Chinese only, with no foreigner involved in them.

Against this system China contended that the foreign assessor was concerned with the interest of the plaintiff, who was of the same nationality as he, rather than with impartial administration of justice, which often resulted in an unfair decision for the Chinese. They contended, furthermore, that where both the plaintiff and the defendant were Chinese the Mixed Court should have no jurisdiction, but that such cases should be handed over to the Chinese court, even though they occurred within the Settlement.

In August, 1926, when anti-British agitation was at its height, China forced the Powers to accept an agreement abolishing the Mixed Court of Shanghai and substituting a provisional court whose decision was no longer subject to the examination and approval of the foreign assessor, but in which a foreign consular representative was to sit only "to watch the proceedings." The provisional court

was, to the Chinese, only a step towards the institution of an entirely Chinese court with no vestige of foreign supervision attached to it

VII

Alarmed by this Chinese movement, the foreign, especially British, residents in the Settlement sent to London a representative, Mr Huntly Davidson, with the mission of enlisting the support of British statesmen and publicists, if not of the British Government, for their avowed intention of safeguarding the Settlement against further Chinese inroads. That was in 1929. Meanwhile Lord Hailsham and Mr Lionel Curtis went to Shanghai, and acting partly upon their advice the municipal council of the Settlement invited Mr Justice Richard Feetham, of the Supreme Court of South Africa, to come to Shanghai to make an impartial study of its judiciary problem. After eighteen months' study Justice Feetham arrived at the conclusion that the transition from the foreign supervised court then existing to a purely Chinese court was a matter "not of years but of decades." His report contained such passages as these

"The main cause of the concentration of trade and industrial and banking enterprises within the area of the Settlement and its immediate vicinity has been the security of life and property afforded there, and it is a matter of vital importance that this security be maintained in the future

"The question is asked whether the rule of law prevails in China and the answer is 'Not yet,' because the government has to rely very largely upon the military prowess of its commanders to dominate the situation and not only set up military courts but also intimidate and otherwise interfere with the ordinary civil courts."

The Chinese Government, unmindful of such foreign criticisms, issued in January, 1930, a law for the institu-

tion of a permanent Chinese court in the Settlement which was to have entirely abolished foreign supervision Due partly to foreign protests, partly to the Sino-Japanese hostilities at Shanghai in the early spring of 1932, this Chinese law has never been put into effect, and the provisional (or special) court organized in 1926 continues to function

Such is the story of the foreigners' struggle to keep the International Settlement intact in the teeth of Chinese onslaughts When, in 1932, the Japanese defeated the Chinese Nineteenth Route Army at Shanghai and obliged Nanking's military authorities to acquiesce in an agreement establishing a demilitarized zone extending for some fifteen miles to the north, south, and west of the International Settlement and the French Concession, many of the foreigners and Chinese in those foreign areas secretly applauded the Japanese, though they cursed them in public Obviously it was to the advantage of the Settlement that the Chinese military forces should be kept as far away from it as possible The demilitarized zone agreement though concluded between Chinese and Japanese military representatives, was also witnessed and approved by the civilian representatives of British, French, American, and Italian Governments

VIII

As a consequence of the Japanese victory in the present struggle Japan will no doubt demand that the demilitarized zone be subject to foreign supervision, so that it will not be clandestinely rearmed by the Chinese as had been done prior to the opening of the present hostilities Unless this is done the Settlement will always be exposed to the aggression of the Chinese army ever intent upon the rendition of that beautiful foreign city

It is also certain that the new demilitarized zone will be much more extensive than the existing one.

On November 21, a few days after the Chinese forces were completely driven out from the vicinity of Shanghai, the Japanese Consul General, Mr. Okamoto, made the following requests to the Municipal Council of the International Settlement and to the authorities of the French Concession:

- 1 Suppression of anti-Japanese activities such as posting bills, circulating literature, broadcasting certain films and theatrical performances, and activities by branches of the Kuomintang.
- 2 Removal of the Chinese Government offices and Central and local government representatives also supervision of Government party leaders resident in the foreign areas.
- 3 Prohibition of the Chinese censorship of posts and telegraphs.
- 4 Suppression of Chinese censorship of the Chinese Press.
- 5 Suppression of unauthorized radio communications.

These requests are reasonable, and should be complied with if peace is to prevail in the foreign areas and the adjoining regions. There is no justification for permitting the Chinese politicians, professional agitators, the "Blue Shirts," the Communists, and the anti-Japanese boycott organizations to abuse the International Settlement and French Concession (which were established for the safety and protection of the foreigners), for the conduct of destructive movements aimed at foreign interests not only within those foreign areas but throughout China.

On November 28, 1937, the Japanese authorities assumed control of the Chinese telegraph and wireless administrations, as well as all other Chinese governmental departments in Shanghai. They also took over the Chinese customs at Shanghai, which caused the British, American, and French Governments to make representations to the Japanese Government.

All these are of course emergency measures for the duration of the hostilities Japan has assured the Powers that their interest in the receipts of the Chinese customs upon which some of China's foreign loans are secured will be respected There is no intention on the part of Japan to make any change in the existing organization of the maritime customs or of the International Settlement On the other hand Japan is desirous of freeing the International Settlement from the undue Chinese pressure which has been brought to bear upon its administration in the last ten years At present there are five Chinese members in the municipal council of the Settlement while Japan is represented only by two members Quite likely this relative position will be reversed in favour of Japan At any rate it is certain that as a result of the Japanese victory the status of the International Settlement which has been rendered more or less uncertain by Chinese inroads will be revitalized and secured This means that Japanese influence in the foreign area will become much greater than heretofore but the foreigner may rest assured that this influence will be used for constructive purposes especially if the interested Powers follow a policy of friendly co-operation with the Japanese

On January 4 1938 the Japanese Consul General presented to the municipal council a request forecast in the above paragraph—namely for an increase of Japanese representatives on the council He also requested that the status authority and number of the Japanese police in the Settlement be raised It is only fair that the relative numbers of the Chinese and Japanese members of the Council should be reversed in favour of the Japanese now that Japan has become a dominant factor in the suppression of anti foreign and Communist agitation in China an undertaking beneficial to all foreigners in the long run

CHAPTER IX

JAPAN SHUNS GENEVA AND BRUSSELS—WHY?

I

Even a novice in international affairs could not have failed to notice that Japan's diplomatic notes addressed to the Western Powers in regard to the present hostilities in China were blunt to the point of rudeness. Her reply to the American and British protests on the aerial bombing of Nanking, her notes to the British Foreign Office on the wounding of Sir Hughe Knatchbull-Hugessen, her note to Brussels declining to participate in the Nine Power Treaty Conference—all these and other related documents, quite apart from the clumsiness of the English, were in much the same tone.

Quite possibly the Foreign Office at Tokyo when writing those notes, had an eye upon Nanking. It believed perhaps that any apologetic note addressed to London or Washington would be mistaken by China for a sign of her wavering before Western pressure. On the other hand blunt notes would be read in Nanking with a sense of respect—they would make the Chinese feel that even the Powers could not compel Japan to kowtow before them. This characteristic Chinese reaction was something Japan could not overlook.

Perhaps the same consideration had something to do with Japan's refusal to participate in the Brussels Nine Power Treaty Conference attended, ironically, by nineteen nations including Russia. She had already been condemned as the "invader" by the League of Nations. How could she meekly go to Brussels without giving the

been to bring about an international intervention against Japan, hoping thus to checkmate Japan's rising power and influence. That idea is but a modern variation of the age-long Chinese tradition of "playing off the remoter enemy against the nearer"—a tradition evolved in the course of countless centuries of rise and fall of numerous Han (Chinese) dynasties, each of which managed to maintain its reign against the Mongols, Tartars, and Manchus by entering into alliance with the "barbarians" further away.

This age-long Chinese policy is described in the following language by Mr Owen Lattimore, a profound Sinologist born in China:

"Since even the best organization and military training could give China only the negative advantage of a successful defensive position along the Great Wall there grew up inevitably a canon of statecraft and foreign policy based on the assumption that fighting the barbarians was less efficacious than promoting confusion among them—by intrigue, by bribery, by alliance by hiring some of them as mercenaries against the others, by any possible means—in such a manner that, being involved against each other, none of them would be free to attack China. This is the celebrated canon of *I I Cib I*, 'using barbarians to control barbarians' which is fundamental in Chinese history."

Soon after the opening of the Sino-Japanese war forty-two years ago, Li Hung-chang, that astute yet peculiarly short-sighted statesman, began to sound the foreign diplomats at Peking with a view to causing a concerted action of Occidental Powers against Japan and in the interest of China. As China suffered defeat after defeat both on land and at sea, Li redoubled his efforts for international intervention.

The European diplomats made no definite promise to intervene for China, but at the same time they gave Li to

understand that they might do something Lured by this uncertain promise, China prolonged the hopeless war, the outcome of which was clear from the beginning

Only the American Minister, Mr Charles Denby, had the honesty and courage to tell Li Hung-chang bluntly that the best way to save China was to make peace with Japan at once with a sincere desire and intent to establish unreserved co operation between the two countries In his judgment any other course such as foreign intervention would lead China to the quagmire of more difficulties and greater humiliation This view was fully endorsed by the Government at Washington

Not only did the American minister advise Li Hung-chang to give up all hope of intervention, but he also urged his European colleagues to make it unequivocally clear to the Chinese Government that no intervention was forthcoming That, he believed, was the kindest thing the European Powers could do for China, if they really had China's interest at heart Under date of February 26, 1895, Mr Denby reported to his Government

' For the last few days Li Hung-chang has been engaged in interviewing the heads of Legations here He still seems to cling to the impracticable idea that the European powers will not permit Japan to seize any of the territory of China He puts to each Minister the question Will your Government intervene if China refuses to grant a cession of territory ?

In conversation with my European colleagues I have always asked them to quit, for the time at least all talk about intervention and on the contrary to say positively that in no conceivable event will their Governments intervene I have told them again and again that had it not been for this phantom of assistance to China I could have made peace two months ago

" As long as China thinks that at the crucial moment English or Russian guns will be turned against Japanese ships she will delay direct action My colleagues however conceive

themselves unable to follow my advice. They do not wish to be bound by a declaration of neutrality under all circumstances. They desire that Li shall go as plenipotentiary to make peace, and they advise him that there can be no intervention now, but they hold out the indefinite hope that there may be in the future.

"In private conversations with the members of the Yamen [Chinese Government] I have tried to turn their views from the spectre of intervention to what I conceive to be China's true policy, and that is a sincere friendly *rapprochement* with Japan."

"Of the two Oriental Powers which were opened to Western civilization by foreign guns one accepted the results, the other rejected them. Japan is now doing for China what the United States did for Japan. She has learnt western civilization and she is forcing it on her unwieldy neighbour. The only hope in the world for China is to take the lesson, rude as it is, to heart."

The above document, in the light of recent trends in American diplomacy, seems like a leaf from a forgotten book. Yet it was an embodiment of wisdom, sound common sense, and practical statesmanship which might as well be brought into play at any time.

In Mr Denby's opinion the longer the conflict with Japan the greater the loss China would have to suffer. The Powers, by holding up the mirage of concerted intervention before Chinese eyes, merely prolonged the war to the detriment of China. The wisest thing the Powers could do in China's interest was to tell her frankly that it was best for her to come to terms with Japan—the sooner the better.

But China never could see any wisdom in such a course. Her consuming idea was to defeat and humiliate Japan through foreign intervention. And, indeed, she did get Germany, Russia, and France to intervene in her favour; but with disastrous result. By inviting those European Powers to help her, China had to lose Manchuria to Russia and Shantung to Germany. The sequence of

events which followed—the Russo-Japanese War, increasing international complications in Manchuria, the secession of Manchoukuo, which in turn led to the present hostilities—was a tragedy which should have awakened China to the futility of international intervention. And yet China even to this day has never given up the old idea.

III

On the contrary, China's cherished idea is that the Japanese advance can be checked only through Western intervention. When the League of Nations was organized China made up her mind then and there that it is best for her to let Geneva fight her battle against Japan. The Washington Conference of 1921-22 proved an added stimulus to the traditional Chinese idea, for China believed that it was Anglo-American concert at that conference which forced Japan to give up Shantung, withdraw troops from various points in China, and relinquish some of her rights even in Manchuria. This naturally, was a great encouragement to the Chinese belief in the efficacy of international intervention. It served to whet China's appetite, which she hoped could eventually be satiated through the League's hospitality at Geneva. To the Chinese mind any international conference and any League meeting called to discuss the Chinese question is a form of the intervention towards which China has been working.

Ever after the Washington Conference, China waited for an opportunity to hale Japan before the League tribunal. Nay, more, she worked assiduously and manœuvred adroitly to bring about that coveted opportunity. To a China saturated with the idea of using the League or some other foreign combination to check Japan, even the conciliatory Japanese policy, with which

Baron Shidehara was so prominently identified in the years 1925-31, meant little. No wonder that China turned a deaf ear to Shidehara's repeated overtures for a friendly solution of such problems as had been pending between the two countries. As the Chinese looked at the situation, there was no need for her to concede anything to Japan—she wanted Japan to do all the conceding. Prior to the secession of Manchuria China believed that even Japanese rights in that region could be cancelled through foreign intervention. Viewed in this light, it was China herself, rather than the Japanese militarists, who destroyed Shidehara's chance of success with his conciliatory Chinese policy.

For the purpose of hastening such foreign intervention, China developed a new technique, and she practised it without reserve both openly and covertly. That technique was anti-Japanese propaganda, which manifested itself in various forms—boy boycotts, student agitation, murders, assassinations, text books calculated to make the school-children hate the Japanese, inflammatory war songs, insidious catechisms instilling Japanophobia in the minds of the soldiers.

All this and more had one ultimate objective, namely, to irritate and provoke Japan to such a degree as would force her to employ drastic measures of a nature to alarm the world and to cause the League of Nations, or at least the Anglo-American combination, to adopt punitive steps against the alleged aggressor.

IV

To the Chinese enamoured with this twin philosophy of anti-Japanism and foreign intervention, the Manchurian incident of September, 1931, and the Shanghai affair following close upon its heels seemed to furnish a golden opportunity to translate their long-cherished idea

into a reality. Even before the first shots from the Japanese guns at Mukden died down, China hastened to invoke the League Covenant and to appeal to Geneva for rescue. Unfortunately for China, however, neither the Manchurian affair nor the Shanghai disturbance proved big enough and serious enough to frighten the world. Manchuria was, after all, an outlying territory of China where the authority of the Central Government had been but indifferently extended.

And so China's dream of a drastic foreign intervention against Japan came to naught. Even Great Britain, whose political and material interest seemed to the Chinese to justify a vigorous action against Japan, was not excited, and even declined to join with Mr. Stimson in a condemnation of Japan. And as for the League, it, as the Chinese saw it, rendered only lip service to their cause through the Lytton Report, which was, after all, little more than a "whitewash" for the whole Manchurian affair.

At this point we are constrained to say a few plain words on the League's action taken to meet the Manchurian situation of 1931. The effect of those actions was even more disastrous than the effect of the ill-conceived, lukewarm advice given Li Hung-chang by the European diplomats at Peking during the Sino-Japanese war of 1894-95.

In 1931 Mr. Stimson, instead of offering China traditional American advice such as had been given Li Hung-chang by Mr. Charles Denby, chose to lead the League of Nations into adopting a policy the basic concept of which was to check Japan through an international intervention. Whatever the League may have thought of itself, China looked upon it as an organ of international concert which could be mobilized against Japan.

If the League members and the United States had no intention of saving Manchuria for China at the risk of war with Japan, the next best course for them would have been to advise China to open direct negotiations with Japan at the earliest possible moment. They did neither. They did not want to fight Japan. Yet they did not want China to open peace negotiations with Japan. Thus China was lured to chase the rainbow at the end of which she found the Lytton Commission Report, certainly not the pot of gold after which she had been panting.

As early as October 18, 1931, that is, only a month after the Japanese railway guards clashed with the Chinese troops at Mukden, Japan submitted to the League of Nations a formula of the following five points as the basis of direct negotiations with China:

- 1 China and Japan shall each pledge themselves to observe mutual non aggression
- 2 Japan shall respect China's territorial integrity
- 3 China shall suppress anti Japanese boycott and propaganda
- 4 China shall promise to protect the lives and property of the Japanese in Manchuria
- 5 China shall respect her treaties with Japan

These terms were reasonable. The League should have advised China to negotiate peace with Japan on the above basis, or rather with the intention of accepting these terms. Obviously, peace could not prevail as between Japan and China if China insisted upon violating the treaties and inciting anti-Japanese agitation and boycott as her national policy. The point is so plain that it precludes argument.

And yet the League temporized with the Chinese, giving the impression that it would force Tokyo to withdraw troops from Manchuria and to negotiate peace with Nanking under the League's own supervision. Thus

the League was more deeply concerned with enhancing its own prestige by coercing Japan than with preserving China's interest by terminating the hostilities without delay. It was more selfish than peace loving. Not only did the League pay highly for this failure in Japan's withdrawal from it, but it caused China to lose the whole of Manchuria.

This failure on the part of Geneva is all the more tragic, as the Lytton Commission, after a study of the Manchurian situation on the spot, practically admitted the justice of the aforesaid Japanese terms submitted to the League at the very beginning of the Manchurian conflict by emphasizing the following points:

1 That anti Japanese boycott in China ' involved a measure of responsibility ' on the part of the Chinese Government (thus implying that the Government should find a way to stop it)

2 That the Sino-Japanese treaties which existed in September 1931 are binding on both signatories and that the Japanese rights defined by those treaties must be respected

3 That an effective gendarmerie force must be organized for the preservation of peace in Manchuria preliminary to the withdrawal of the Japanese troops

Compare these recommendations which were fully endorsed by the League itself, with the above Japanese terms and one almost gets the impression that the Lytton Commission and the League were converted to the Japanese view—but at the eleventh hour. Manchuria had become independent and not even all the king's men and king's horses could shove it back to the Chinese fold. Had the League Council taken the above stand in September or October, or even November 1931, there was not the slightest doubt that Japan would have been more than willing to negotiate with China (whatever "China" might have meant) and liquidate the Manchurian situation with dispatch, because all that Japan

wanted was a guaranty of her treaty rights in China, including her right to trade, free from officially encouraged boycotts. This Japan repeatedly made plain before the League and the world. Had this course been followed, the dispute would have been settled at once, and China and Japan would have been at peace.

But the League Council, instead of taking the above stand, concentrated its futile efforts upon compelling Japan to withdraw troops before Sino-Japanese negotiations could be opened for the guaranty of Japanese treaty rights. This produced two unfortunate effects. On one hand, it made China think that she had the League in her pocket. On the other, it stiffened the Japanese army, who knew, as did all Japanese that the troops could not be withdrawn until some other effective system of maintaining peace and order was established.

If the Lytton Commission, after a painstaking and exhaustive study of the actual situation, explicitly recognized the legality of Japan's treaty rights in China and implicitly recognized the necessity of maintaining foreign troops in Manchuria, at least for the time being, then the League Council (which when Japan was anxious to negotiate with China on these very terms, refused to let her so negotiate, but merely insisted upon troop withdrawal) must in the light of the Lytton Report, confess that it was short sighted and committed an irretrievable error. The Council's dilly-dallying in the early stages of the Manchurian trouble brought about a situation which it could not foresee and which cannot now be altered—namely, the appearance of an independent Manchuria.

The logical conclusion is that the Council has its own lack of vision to thank for the independence of Manchuria. Thus it should have confessed before the world in sack-cloth and ashes. Instead, it whitewashed or rather com-

v

The League's obvious failure in the Manchurian incident did not awaken China to the futility of her cherished scheme of playing off Western Powers against Japan. On the contrary, she continued to work with the same objective in view. Indeed, there is reason to believe that Nanking provoked the hostilities of 1937 with the purpose of arousing the Powers to the seriousness of the resultant situation, thus hoping that England and America might at last be persuaded to lead the other Western nations in the long deferred task of picking China's chestnuts out of the fire.

The Chinese soldiers no sooner precipitated an "incident" in North China early in July than the Nanking Government began clandestinely to pour troops into the demilitarized zone around the International Settlement and the French Concession at Shanghai, with the obvious intention of provoking the Japanese into fighting in this area as well as in the north. Nanking reasoned that great Western interests concentrated in Shanghai, if jeopardized by military operations, would cause foreign intervention more quickly and effectively than would the clashes in North China.

As the Shanghai correspondent of the *New York Herald-Tribune* stated on September 16, China by extending hostilities to the Shanghai sector, hoped that "some form of intervention or at least greater notice of China's case would be taken abroad"; the *New York Times* correspondent, in his Shanghai dispatch dated August 30, also stated that the Japanese "were literally pushed into the clash by the Chinese, who seemed intent on involving the foreign area and foreign interests in this clash."

As soon as fighting broke out at Shanghai on August 13, China began to bomb the International Settlement and the French Concession as well as foreign vessels. On August 15 only three days after the opening of the hostilities, the *Journal de Shanghai*, a newspaper in the French Concession, reported that aerial attacks by Chinese planes had resulted in the following casualties:

In the French Concession

Killed	445
Injured	821

In the International Settlement

Killed	495
Wounded (approximate)	600

On August 14 a Chinese bomber dropped a bomb upon the International Settlement near the Palace and Cathay hotels, the most famous hostelries in the Far East, killing more than 100. On August 16 another Chinese bomb was dropped on Broadway in the Settlement killing several foreigners and Chinese. On August 23 Chinese aeroplanes again bombed the International Settlement, this time hitting the Sincere and Wingon department stores the greatest Chinese commercial establishments in the city, killing more than 200 and wounding another 200. The two correspondents of the *New York Times* were among the wounded. On August 30 a squadron of the Chinese bombers attacked the American liner *President Hoover*, wounding five sailors and two passengers, one of whom died a few days later.

So serious were the effects of such Chinese bombings that the *New York Times* correspondent at Shanghai under date of August 27, stated "That some international action should be agreed upon, providing for armed measures or other restraints to prevent irresponsible Chinese aerial bombing and the killing of helpless

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civilians in Shanghai's International Settlement and the French Concession, is the consensus of foreign consular, naval, and military officials at Shanghai."

What was the object of these persistent Chinese assaults upon the foreign area? Only one answer is possible—namely, that China schemed to hasten foreign intervention against Japan. It would seem strange that China hoped to cause intervention against Japan by attacking the International Settlement herself, while Japan strictly refrained from launching such assaults. Indeed, as the *New York Times* correspondent reported on August 27, "qualified foreign army and naval observers and precision instruments aboard American, British, and French warships in the Whangpoo river disclose that the Japanese have kept their pledge that their bombers will not fly over the Shanghai refuge area, while the Chinese have refused to give a similar pledge" *

The Chinese reasoning was that any act, whether Chinese or Japanese, which would serve to impress upon the third Powers the diabolical nature of this warfare and its serious effects upon foreign interests would react upon Japan rather than upon China, because world opinion, as Nanking saw it, had already been set against Japan, while China had become the object of world sympathy. When, therefore, Japanese airmen and Japanese batteries attacked the *Panay* and the *Ladybird* and a number of American and British merchant ships in the Yangtse on December 12, 1937, China gloated over the Japanese blunder, believing that their long-cherished scheme was certain to bear fruit. That belief was again frustrated by Japan's prompt action to make amends for the blunder.

VI

To return to Geneva, the League, condemning Japan as the "aggressor" or "invader," seemed—only seemed—

to play into China's hands. As in 1931, so in 1937 the League dared not adopt any stronger measure. Yet the condemnatory resolution it did adopt against Japan was strong enough to give the Chinese the false encouragement that Geneva might eventually come to their rescue. In this China is sure to be disappointed, as she was in 1931. The utmost the League, or the Nine Power Treaty Conference, could do would be to pass a resolution refusing to "recognize" whatever condition might result from the Japanese "aggression"—a repetition of Mr Stimson's "non-recognition doctrine". Such a resolution will help China no more than similar resolutions adopted by the League in 1931-32 have helped her.

Is it wise for the League and the Powers to hold out so false a hope before the Chinese? When the hostilities broke out in North China last July and at Shanghai last August, there were two—only two—alternatives which the League and the Western Powers should have followed if they were honest with themselves and if they had China's interest sincerely at heart. One was to mobilize all the material resources of the Powers with a determination to checkmate Japan by all means, including sanctions and even military measures. Had this been done even a resolute Japan might have bowed to the inevitable, eventually if not at once. This, however, involved the risk of war—perhaps another world war.

If the Powers were not prepared for so great a hazard, then the only other course they could honestly follow was to advise China bluntly and with no equivocation that her best interest would be served by terminating the conflict through direct negotiations with Japan upon the basis of the terms Japan had already intimated, namely:

1. Sino-Japanese co-operation for the suppression of disruptive movement of the Communists, whether military or civil.

- 2 Nanking's recognition of a measure of autonomy in a certain section of North China
- 3 Cessation of the Nanking Government's policy of encouraging anti-Japanese agitation and boycott
- 4 Sino-Japanese co-operation in the development of natural resources in North China

Either of the above two courses would have been logical, honest, manly. But the League and the Powers followed neither course. Instead they pronounced high sounding words which served merely to beguile China. The Nine Power Treaty Conference at Brussels, before adjourning *sine die* on November 24, 1937, repeated the old mistake by declaring that "a satisfactory settlement cannot be achieved by direct negotiations between the parties to the conflict alone, and that only by consultation with other Powers principally concerned can there be achieved an agreement, the terms of which will be just, generally acceptable, and likely to endure."

The above view is diametrically opposed to the Japanese contention. As the Japanese see it the unfortunate conflict was started by the assaults perpetrated by Chinese soldiers upon the Japanese garrison. Japan struck back because she was struck. Being human, she did not turn the other cheek to China. She had no time to consult the other Powers. More than 200 of her civilian nationals had been massacred *en masse* in a North China city, while 10,000 in another city and 30,000 in still another city were in imminent danger of similarly murderous assaults. Once blows were exchanged in earnest Japan had no alternative but to bring the assailant to his knees. The Nine Power Treaty contains no provision which requires any of the signatories to consult the others on the peace agreement which it intends to conclude with another signatory nation who has provoked hostilities.

VII

The above quoted declaration of the Brussels Conference will serve only to prolong the conflict. The Japanese army has since occupied Nanking, and may advance even to Hankow and Canton. This, of course, will impose much hardship upon the Japanese but by far the greatest suffering will be inflicted upon the Chinese. What good purpose will the infliction of such hardships and sufferings serve in the end? Had the Powers had the sincerity and courage to tell China to dispel the delusion of foreign intervention, the Japanese forces would have stopped where they were. Certainly Nanking would have been saved, while the Yellow River would have been the limit of the Japanese advance in the North. If the Powers are sincere in their profession for peace and happiness in China, they should go a step further and advise China, as did Mr Charles Denby, American Minister to China in 1895 to effect a real *rapprochement* with Japan instead of playing the old game of flirting with the "remoter barbarians". Japan hopes for a united and strong China if such a China is friendly to her, but she must look out for a Chinese Government which regards her as an enemy whom it would destroy even by allying itself with Red forces within and a Communist power without.

Should Japan accept the mediation conceived by the Brussels Conference, there is not the slightest doubt that China would consider herself the victor in this conflict. A peace achieved through such a mediation will prove the seed of fresh disturbances in the years to come because such a peace will, in the Chinese eye, appear to be Japan's humiliating surrender to international pressure, which will encourage China to renew provocative acts against Japan with the belief that the Powers can be relied upon.

to help her. For the same reason there can be no peace until China admits her defeat. The Wilsonian ideal of "peace without victory" proved a delusion at the end of the World War. When applied to the present conflict, it is worse than delusion. To the Chinese mind such a peace can only mean "victory for China and humiliation for Japan."

Of all nations England, by reason of her long and intimate experience in and with China can best understand this peculiar Chinese mentality. From Lord Macartney's humiliating mission to Peking in 1792 down to this century the history of England's intercourse with China is replete with episodes showing how she struggled to obtain justice from China without resort to force. When the Nanking treaty was concluded in 1842 after China had been beaten in the so-called Opium War, the Chinese still believed they had won a victory, because the conquering British did not treat the Chinese as the native conquerors had treated them through three thousand years. In fact the Chinese took the treaty as a joke and forthwith proceeded to violate it.

When the time for the revision of the Nanking Treaty came in 1854 the British officials approached the Viceroy in Canton. The only Chinese response was the usual sly laugh a practice prevailing for centuries among the Chinese officials in dealing with their subordinates or the common people. This eventually brought about the 'Arrow War' at the end of which Canton was for three years ruled by British and French commissioners.

Lord Elgin who believed himself to be a true friend of China, confessed that it was distasteful and disheartening for him to be obliged to use force, but that the Chinese were "a people that yield always to force but never to reason."

In 1859 the allied Anglo French force having

victoriously entered Peking, destroyed the magnificent Summer Palace in cold blood. That seemed in the light of ordinary moral standards, an unjustifiable act of vandalism, but the Chinese themselves would not otherwise have considered the allies the victors, for they had in their long history never known a victor who did not loot and plunder.

In 1900 an international force again stormed Peking, this time to rescue the entire diplomatic corps and the 1,000 foreigners who had been besieged and bombarded for eight weeks by the fanatical forces known as the Boxers. The foreign troops administered to the Chinese a strong purgative by looting and plundering to strike respect for the foreigner into their souls. The only troops who did not participate in this orgy were the Japanese. For this leniency the Japanese earned only contempt from the Chinese who thought Japan a small nation still fearful of China.

Nor was it only the Europeans who recognized the need of forcible measures in dealing with China. Mr. Humphrey Marshall, American High Commissioner to China in 1854, said "The Chinese Government concedes justice only in the presence of force able and willing to exact it." His successor, Mr. Robert M. McLean, also said "Diplomatic intercourse can only be had with China at the cannon's mouth." As recently as 1932 Mr. Rodney Gilbert, an American author who spent fifteen years in China said "The Chinese are only content when they are on top bullying someone else or grovelling in the dust before some stronger bully—never satisfied to deal fairly and equitably with anyone on a basis of equality." Such a harsh judgment should not be accepted without reservation, but when the same verdict is voiced by so many authorities over and over again, it compels us to stop and ponder. This peculiar Chinese

mentality is a creature of peculiar Chinese history. Unlike Japan, which has never been invaded by any alien race, China, in the course of three thousand years of her history, was periodically trampled under the feet of foreign invaders—various tribes of the Mongols, Tartars, and Manchus ; and every invasion was accompanied with the most ruthless looting and sacking on the part of the conqueror. No wonder that the Chinese mind has become warped and tortuous. Japan has had occasion many times to ponder over this Chinese idiosyncrasy since her first serious contact with China. Certainly no good purpose can be served if the Powers, ignorant of Chinese history, continue to urge upon Japan proposals which will not guarantee peace but will on the contrary prove pregnant of further disturbance.

CHAPTER X

JAPAN'S SELF-PRESERVATION

I

The late Mr Thomas Edison, the world famous American inventor and a wizard of electricity, in December, 1922, gave an interview to a well known American journalist in the course of which he discussed some of the fundamental causes which disturbed harmonious relations among nations. With reference to Japan he made a remarkable statement, which may be summarized as follows:

"Japan's problem—the basic cause of her unrest—is not political but economic. She needs room for expansion. She needs a greater field for her economic activities, not merely because her population is growing but also because her capacity for enterprise is increasing with a surprising rapidity."

"Japan is a progressive, enterprising energetic nation. Her people cannot be permanently cooped up in their small islands. Her population is increasing at an annual rate of almost a million. All of the land which she could possibly utilize for cultivation within her own territory has been exploited. There is no more land which she can improve. Her industries are advancing which means that she must have more and more raw materials."

"If Japan is prevented by international concert from extending her sphere of activities in countries where her natural course of expansion lies it is difficult to see how we can keep her quiescent, peaceful, and contented. I do not necessarily mean that the Occidental Powers should revise their immigration policies and open their doors to Japanese emigration. That, perhaps, is impracticable. But there are vast undeveloped

countries close to Japan's own door. Why not let her buy a part of Eastern Siberia, for example? Manchuria, too, can be developed [The interview was given some years before Japan gained control of Manchuria]

"Should this natural Japanese expansion take place, the attitude of the Western Powers, particularly the United States, Great Britain, and France, the three richest nations, should be not one of obstruction and antagonism but one of helpfulness and sympathetic co-operation. They should not raise the alarmist cry of 'Wolf' every time Japan sets her feet upon the continent, because such Japanese advance is essentially economic in nature and does not mean military aggression. It is only when such advance is blocked that it becomes militaristic."

"What the Powers should do is clear. Instead of attempting to thwart and throttle Japan's natural advance, they should try to help her. If she wants to buy a part of Eastern Siberia as I have suggested the richest Powers of the West should organize a banking syndicate to finance Japan not only in the purchase but also in the development of the natural resources of that virgin land. Such a helpful policy will in the end prove much less costly than a policy of obstruction. It may even prove profitable."

"If, on the contrary, the Powers continue to pursue a concerted policy of opposition to Japan's natural expansion on the continent there is bound to be explosion—unrest within Japan and then violent upheaval in that part of the continent where Japan is bound to expand. Such a Western policy of opposition may even lead to an armed conflict involving incalculably greater sacrifices on the part of the oppositionist Powers than the cost of the alternative policy of helping Japan."

The above interview proved prophetic. China's obstructionist policy led to the Manchurian "explosion" of 1931. And when that "explosion" took place, the Powers, instead of advising China to negotiate with Japan on the reasonable Japanese terms (which I have explained in the preceding chapter), attempted to checkmate Japan.

by insisting upon the withdrawal of Japanese troops before any of the essential questions which Japan intended to solve were discussed. This, in turn, led to the secession of Manchuria and the appearance of the new state of Manchoukuo.

Mr Edison's interview pointed the way to the wise and sensible course which the Powers should have followed in the present military upheaval in China. If China, upon the united advice of the Powers had decided upon a policy of co-operation with Japan not only could she have spared herself the great sacrifices she suffered but she could have entered into some sort of agreement beneficial to both herself and Japan. Furthermore, this would have redounded to the benefit of the Western Powers, whose enterprise and investments in China could be made secure only if peace prevailed in that country and peace cannot prevail there unless harmony between Japan and China is assured. There will be a continued discord and disturbance if China persists in her policy of obstruction towards Japan even by allying herself with the Communists both within and without her own territory. The common instinct of self preservation impels Japan to take effective measures to frustrate such developments.

II

To return to the essentially economic aspect of the Japanese situation. Much has been written on the question of Japan's overpopulation. Yet now and then casual observers and even serious critics from the West deign to tell us that Japan is not overcrowded and that she still has much area which can be profitably developed. They are like a millionaire preaching thrift to the poor. Is there any civilized country in the world where cities, towns, villages, and hamlets are so close together as they are in Japan?

Japan proper consists of four islands. Hondo, the largest island, has 732 inhabitants to the square mile, Shikoku 433, and Kiushiu 484. The average density of these three islands is about 550. But these figures do not tell the true story. Even school-children know that these islands consist of volcanic ranges. They are virtually covered with mountains, affording but some 15,000,000 acres of tillable land, or only 16 per cent. of the total area. In Great Britain 77 per cent. of its land area is arable; in Italy 76 per cent.; in France 70 per cent.; and in Germany 65 per cent.

The fourth island, Hokkaido, is not so thickly populated. Yet its 78 per square mile is much more than three times the density of California. Moreover, Hokkaido, like the other three islands, is traversed by many mountain ranges which severely restrict the area of its tillable land. Because of its rigorous and protracted winters, farming on its northern slopes is not profitable.

According to "Population and Natural Resources," published by the League of Nations in 1927, the density of population in proportion to arable area in the six most thickly populated countries in 1925 was as follows:

Country	Arable land		Density
	Million kilometres		
Japan	60.2		993
Holland	9.2		802
United Kingdom	59.2		800
Belgium	12.2		640
Italy	132.3		307
Germany	204.8		305

In terms of arable land, Japan is by far the most overpopulated country in the world. Quite naturally, no space is wasted in Japan. Even the hillsides are terraced and cultivated to the very summits. The average area of

arable land for each of the population, urban and rural, is only one quarter of an acre. If we confine our consideration to the farming population, we find that 35 per cent of the total number of our farming families cultivate less than 1.22 acres each, 34 per cent between 1.22 and 2.45 acres each, and 31 per cent more than 2.45 acres.

The arable area cultivated by each farming family in Japan is only one as compared to 31 in the United States, 16 in Denmark, 9 in England, 6 in Sweden, 5 in Germany, and 3 in Ireland. The result is that, in lean years, rice produced in Japan proper is not enough to feed the population. In 1930 the total yield was 10 per cent less than the home demand. True, Japan exports rice to a considerable extent, but this is possible only because most of our farmers, for reasons of economy, eat rice mixed with cheaper food-stuffs, such as millet, oats, Burma rice, or even vegetables.

Quite naturally the law of diminishing returns began to operate against the Japanese farmer years ago. By dint of greater perseverance and labour, and by using fertilizer in increasing quantities, our farmers have managed to increase the yield. But considering the increasing expenditure of money and labour, they have found it more and more difficult to cope with the law of diminishing returns.

III

To give a concrete illustration of Japan's predicament growing out of her over-population and her lack of arable land, we may tell the story of a movement which was popular in a certain section of Japan for some time before the Manchurian incident of 1931. This movement was called Ai-Kyo, or Love Your Village. It was started by a young man named Tachibana, who was for a while

called the "Gandhi of Japan" As the rallying point of the movement, Tachibana established Ai-Kyo-Juku, or Love-Your-Village School near the city of Mito some hundred miles north of Tokyo

Tachibana had a middle school education and spent three years in college While at school he was studious and was known to have a philosophic turn of mind He read much of Tolstoy and Bergson He was so deeply interested in the problems of small farmers and peasants that he quitted college before graduation and resolved to devote his life to their cause He inherited a plot of land which small though it was, he thought could be so utilized as to make him and his family entirely self supporting Having succeeded in this experiment for himself he spread its gospel among his neighbours whose hard lot he thus hoped to alleviate

On the spiritual side he was a man of peace He did not believe in Communism and he deprecated the Marxian idea of class struggle On the contrary, he urged sympathetic understanding between the landlord and the tenant as the first step to the solution of agrarian difficulties

On the material side Tachibana's idea was simplicity itself Its essence was frugality plus good management He realized the meagreness of the farmer's resources, and believed that a most rigid economy was essential if he was to balance his budget at all He emphasized the necessity of divorcing the farmer from the city with its luxuries its temptations its system of gambling in farm products at the expense of the tiller of the soil Then he introduced new elements into the traditional method of farming Besides growing enough rice for the use of his family, he kept a milch cow an ox for field work a breeding sow and a hundred hens To the Occidental farmer there is nothing new in this but to the Japanese

it is a novel thing to combine the culture of the main staple, rice, with the raising of cows, pigs, and poultry.

Tachibana's idea of making the farmers self-supporting by the practice of frugality, independence from the city, and new management would have been entirely practicable had there been enough land for them. The simple fact was that most farmers did not have even the minimum of land necessary to produce barley enough for self-support. Tachibana's own holdings amounted to only four acres, and he managed to support his family of five with what he wrested from this small plot. Yet a farmer who owned so much (!) land was far above the average, indeed, he was considered one of the "upper class." In his locality the average income of the farmer was 436 yen a year, and his outlay, or cost of production, including taxes, fertilizer, seeds, and interest on debts, amounted to 256 yen. This left only 180 yen for living cost for a family of five.

In Tachibana's estimate, the minimum cost of living for a farming family of five was 306 yen apportioned as follows: food, 200 yen, clothing, 25 yen, education of children, 31 yen, repair of the dwelling, 15 yen, luxuries, such as tobacco and wine, 15 yen, entertainments, 12 yen, miscellaneous, 8 yen. Put this total living cost of 325 yen against the net income of 180 yen, and there is a clear deficit of 126 yen. Only by borrowing could the farmer exist. Many of the farmers in Tachibana's locality borrowed money on the uncertain security of prospective crops two or three years ahead. Many ate up the rice they had produced in the previous season long before the new crop was available.

The root of this dire plight was, as Tachibana saw it, the dearth of land in Japan. How could farming be diversified as he had planned when the average size of

farms was only a little over an acre, including the dwelling site and the surrounding yards? To this question Tachibana could give no answer except emigration.

Naturally, Manchuria to him seemed to offer a solution. To Manchuria he went, hoping to work out there a plan to emancipate his fellow farmers at Mito. It was there that he was put under arrest on the suspicion that he had instigated or at least was incriminated in, the assassination of Premier Inukai in May, 1932. Could it be that he considered Inukai's policy too weak to create a Manchuria which would serve to alleviate the agricultural problem of Japan?

IV

The moral of the Tachibana incident is clear. It shows the difficulty of solving Japan's chronic and growing trouble of overpopulation without resort to emigration. What Caucasian nation situated as Japan is, has not encouraged emigration or acquired colonies? They tell us that England solved her population question not by emigration but by industrialization. That is not true. When England's population increase was at its height, her sons and daughters emigrated to the United States and her own overseas dominions by the hundred thousand. Before the American Immigration Act of 1924 restricted immigration to the United States by the quota system, most European countries especially Italy counted upon emigration to America as a means of allaying their economic ills.

Ever since the United States and the British overseas dominions raised a barrier against Japanese immigration our Government, to be polite and 'gentlemanly,' handled the knotty problem with kid gloves. It pretended that Japan was interested not in emigration but

in the academic question of equality As Viscount Ishii, one time Ambassador to Washington and Paris and at present Privy Councillor, puts it, " Our primary concern in this respect is not whether or not a few thousand or a few hundred Japanese immigrants shall be admitted to America, but whether Japan shall be accorded the courteous treatment which is due to her as one of the civilized Powers of the world To us it is a matter of ideal rather than a question of material interest " According to this view, Japan would be satisfied if the United States should apply the general quota system to Japanese emigration, although this would, in effect, be the same as the exclusion now in force That is the official Japanese attitude

But the average Japanese, the man who lives by the sweat of his brow, is not concerned with the question of national " face " To him the emigration question means his right to emigrate, not his nation's theoretical equality with other states which confer no material benefit upon him He wants to go wherever he has the best opportunity to work and live When this freedom is denied him, when he sees himself cooped up in his narrow confines and his energy and enterprise thus throttled, he not only blames the foreign nations which exclude him but rails at his own Government, which pretends that emigration is of no serious concern to it

Such is Japan's predicament A nation less virile, less determined, might have bowed to the inevitable It might have adopted birth control as a national policy and have acquiesced in the fate which it thought could not be changed Not so the Japanese He preferred forward movement to defeatism, struggle to strangulation, when at last he was forced to make the choice Japan has repudiated birth-control not only because it spells national decline but because she has to consider her neighbours,

with vast territories and unlimited man-power which may some day be turned against her.

Japan's agricultural question, that is, the question of overpopulation in proportion to her arable land, has wider and deeper implications. It affects the wages of her workers, which, in turn, influence her foreign trade. Discussing the peculiar relationship between Japan's agriculture and her industry and foreign trade, Mr. Kamekichi Takahashi, one of Japan's outstanding economists, has this to say:

"In Japan, the key industry is, and will long continue to be, agriculture. For example, foreign countries criticize the conditions of labour of the women employed in cotton spinning mills, yet the wages of two such women are equal to the income of an agricultural family of three persons. It is stated that Japanese miners' wages are low, yet it may be observed that miners' children are much better fed and clothed than farmers' children and so on. Generally speaking, it may be said that conditions of work, standards of living and also the output of the worker are in Japan much higher in industry than in agriculture. What is the reason for the very low standard of living in the agricultural community in Japan? It is not due to poor agricultural methods. The Japanese farmer is quite as industrious and intelligent as the American or European farmer. The population is however, so large that each farmer only has a very small plot of land. This is the reason for their low standard of living in industry. This will continue to be the case as long as the Japanese are unable to emigrate."

"As long as the capitalist system persists, the only means of solving the question of low wages in industry will be to solve the question of the still lower incomes prevailing in agriculture. The solution of the latter problem depends on the solution of a third problem that of over population. As long as no solution can be found for that problem Japan will be obliged to export large quantities of goods and consequently its industry will have to produce abundantly and cheaply. The higher the

Western nations raise their customs barriers, the more will Japan be obliged, under the capitalist system, to lower the cost of industrial work.'

V

Much has been said in England and America in criticism of the low wages paid Japanese cotton factory workers, especially female operatives. Yet Japan's economic condition described in the above quotation entirely justifies those wages. The girls who are employed in the cotton factories are daughters of farmers and peasants whose incomes are too meagre to support their children. Naturally, the girls leave home to work in the factories, while their brothers remain at home to share their fathers' drudgery on the farm. The girls eagerly seek employment in the factory, where they have much better food, shorter hours to work, and a greater opportunity for education and recreation.

Most of our cotton factories maintain well-managed dormitories, where the rooms are immaculate, where moving pictures and plays are shown, and where the girls are required to devote a few hours a week to such useful lessons given at the cost of the factory as writing and reading, sewing and cooking, as well as such arts of refinement as the flower arrangement and the tea ceremony. These factory girls seldom work more than four or five years, at the end of which they return home with enough money saved to prepare themselves for their marriage. And yet the foreign manufacturers often talk about boycotting Japanese goods on the ground that our wages are too low!

There is grave doubt as to whether Manchuria will ever become a profitable field for Japanese immigration. Such obstacles as the absence of good roads and the presence of bandits may be gradually overcome. But the

almost insurmountable obstacle is seen in the presence of the Chinese, constituting the overwhelming majority in Manchuria. Their low standard of living and wages makes it well-nigh impossible for Japanese farmers to compete with them. To what extent this adverse condition can be mitigated is a question to which there is as yet no clear answer.

VI

Intertwined with Japan's population question is a graver question arising out of her lack of raw materials—iron coal, oil, cotton etc. With her increasing population bottled up in a small archipelago, Japan sees the only means of solving her harassing problem of overpopulation in the promotion of her industry and the expansion of her foreign commerce. But in order to attain this desire Japan must have easier access to the necessary raw materials than is at present possible. Manchuria produces bituminous coal in considerable quantities, but none of the coking coal essential to the steel industry.

She has found no oil to speak of within the sphere under her control. Of cotton she produces practically none. Even salt, indispensable for the manufacture of industrial soda must be imported from Egypt and other countries. Most of her iron supply comes from the European possessions in the neighbourhood of Java.

Under normal conditions of world commerce Japan is a nation which believes in and practises the principles of free trade. Buying from abroad almost all of her essential raw materials upon which she levies nominal or very low duties she naturally expects other countries from which she imports such materials to admit her manufactured goods with reasonable duties.

Unfortunately in the last few years the countries from which Japan buys so liberally have become more and more

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Unfortunately in the last few years the countries from which Japan buys so liberally have become more and more

autarchical or exclusionist. They have raised barriers against Japanese trade in the form of prohibitive tariffs and quotas. If the principal industrial nations are to divide the world into commercial "spheres of influence," each of which is to be controlled by one of those nations, it is quite logical and justifiable for a nation whose existence depends upon foreign trade to endeavour at all costs to create a commercial sphere of its own. No doubt Japan considers Manchoukuo and North China as within her trade bloc, though the bloc is insignificant as compared with some of the blocs organized by other leading Powers. It is Japan's instinct of

as a matter of self-preservation, driven her to seek new fields where she may extend her trade, and from which she may obtain the essential raw materials, without the barriers or shackles of prohibitory tariffs and quotas. How far Japan's desire to be self-sufficient—her instinct for self-preservation—can and will be met by her advance into North China remains to be seen. We can only say that she will make the best use of the opportunity thus offered, not only for her own benefit but also for the benefit of China, and if China and Japan reap profit from their co-operation, other interested nations will also be benefited. This point will be more clearly brought out in the next chapter.

What is needed most in England and America in order to bring about a better co-operation with Japan is a willingness to look at the Japanese struggle with a sympathetic eye. They must recognize, first of all, that Japan is confronted by a unique situation growing out of Chinese idiosyncrasies, particularly China's new militarism allied with Communist Imperialism, and, secondly, that Japan's chronic economic plight, due to her over-population, her lack of land and the exclusion policy of the foreign Powers, has deepened her instinct of self-preservation. Had this been recognized in the generous spirit in which Thomas Edison expressed his opinion, summarized at the beginning of this chapter, Japan's course on the continent might have been very different from what it has actually been. The tragedy of mankind is that foresight seldom comes before hindsight.

CHAPTER XI

IF JAPAN WINS—?

I

No one can at this time attempt with confidence to portray the "shape of things to come" in China. Peace seems to be still far away. Everything seems to be being done on a day to-day basis. All is in a state of flux. Yet from the welter of momentary confusion will eventually emerge a condition which even now can be foreseen if only vaguely.

First and foremost, Japan will become a dominant factor in China, both politically and economically. This is evident from the peace terms which Japan has presented or will present to China. As reported to the Press from Hankow, Shanghai and Tokyo in the first few days of 1938, the principal terms are these:

1 China to repudiate Communism and to co-operate with Japan against the Comintern possibly by becoming a member of the anti Comintern bloc

2 Sino-Japanese economic co-operation including the establishment of joint air services and the construction of certain railways in North China

3 China to acknowledge responsibility for the present hostilities and to pay an indemnity to Japan

4 China to recognize Manchoukuo and the independence of Inner Mongolia

6 China to employ Japanese advisers and to agree to the stationing of Japanese troops at certain places for a time

It is not assumed that these reported terms are authentic, nor that they, if authentic, will be accepted by China *in toto*. Considering the magnitude of Japan's military operations, involving a great expenditure of blood and money, and also the completeness of China's defeat, these terms are far from severe. Nevertheless, some changes and modifications will have to be made in the course of negotiations, which are bound to be protracted.

But whatever may be such changes and modifications, Japan is certain to become more powerful and influential in China than she has ever been. How will this Japanese ascendancy affect foreign interests in China? What will be its influence upon China's domestic condition? Upon these two questions is focused the world's attention.

II

First, as to its influence upon China herself. If the Chinese Government, whatever this may prove to be, engages Japanese advisers not as "window dressing" but for real guidance, one of the first things they (Japanese advisers) might attempt would be a radical reduction in the Chinese army, particularly provincial armies, variously estimated at between 2,000,000 and 3,000,000 men, most of whom are coolies and bandits addicted to looting and plundering—not the protectors but the disturbers of peace.

Indeed, the disbandment of provincial armies has off and on been urged upon the Chinese Government by various foreign advisers first, because the army has been a drain upon the national and provincial coffers, secondly, because it is a perennial cause of civil war, an

everlasting menace to foreign interests, and a constant source of terror to the innocent mass of people. The Washington Conference of 1921-22 adopted a resolution repeating the same advice, and the resolution was embodied in the Nine Power Treaty, which has been in the limelight in connection with the recent Brussels Conference. But such advices and resolutions have made no impression upon China, because they have never been backed by the necessary force.

Not a few Chinese of the enlightened class recognized the imperativeness of military disbandment, but they are helpless in the face of the warlords vying with one another in maintaining private armies in increasing numbers. Such foreigners and Chinese as are capable of looking at this question purely from the standpoint of China's own welfare frankly admit that China can never achieve the desired military retrenchment without effective foreign guidance. This long awaited guidance Japan may be able to supply, by putting a large corps of military advisers in such Central Government as may be established and by stationing Japanese troops at certain strategic points. It was foreigners who organized and managed customs and salt administration for China. There is no reason why foreigners should not reorganize the Chinese army.

But the disbandment of provincial armies is a question so complicated so difficult so closely bound up with the political destiny of the Far East, that it should and could be undertaken only by an Asiatic power whose very existence is directly affected by China's internal condition and her foreign relations. The task may prove too big for Japan. If she succeeds she will confer the greatest boon upon the Chinese people, lightening their burden of extortionate taxation and freeing them from perennial civil war and periodic sacking.

Along with the disbandment of provincial and other superfluous armies, there should be created a compact, well disciplined, efficient central army. To prevent disbanded soldiers from becoming bandits, they should be given employment. This could be done by promoting the construction of railways and roads, two things most urgently needed in China.

III

The question of taxation brings us to a consideration of administrative probity. For centuries the official "squeeze" system has been the bane of China. In Chinese official circles, squeeze takes many forms, but the commonest practices are bribery and misappropriation of receipts from taxation. Local governors secure their position by bribing high officials in the Central Government, when there is one. They, in turn, demand and receive bribes and tributes from the heads of districts called *hsien*, while *hsien* heads not only recoup but amass a handsome fortune by pocketing much of the taxes they collect from the people. The common saying is that "an honest *hsien* head amasses 100,000 *yuan* in three years"—this in spite of his meagre salary. If even an "honest" official "says" so much for himself, there is no telling how much a dishonest one makes.

This practice prevails among foreign educated officials of the new school as well as among officials of the old type. All Chinese functionaries whether military or civil, are millionaires. I have never known a Chinese diplomat, a Chinese general or a Chinese statesman who has not waxed enormously rich. On the other hand, I have never known a Japanese general or a Japanese statesman who is rich. I claim no saintly virtue for the Japanese, but in Japan official peculation is the rare

exception, while in China it is an established, well-organized industry. Every foreign business man and every foreign diplomat knows how difficult it is to deal with the Chinese in the usually straightforward manner of the West. Over a five o'clock tea or an evening dinner in a cosy corner in the Cathay or the Palace Hotel any and every foreigner in Shanghai or Tientsin or Canton will tell you story after story of how he had to pay tidy sums to a Mr Wang or a Mr Cheng to get a paper signed or a thing done after long and tortuous negotiations—a transaction which in most countries can be executed in a few hours without involving any palm-greasing. Very often even the conclusion of an international treaty is held up if the foreign diplomat concerned refuses to conform to the traditional Chinese custom.

The strange fact is that most foreigners—diplomats, missionaries, merchants, bankers, etc.—carefully avoid saying openly what every one of them says in private in condemnation of this pernicious Chinese custom. The reason is explained in the very first chapter, entitled "Illusions," in Mr Rodney Gilbert's book "What's Wrong with China." The commercial agent, for one, misrepresents conditions in China—he says, "to keep his job." So does the diplomat, because "he enjoys a quiet, pleasant life" which is possible only if he avoids "contentious relations with the Chinese which are exasperating beyond all comparison." The missionary misrepresents "to justify his own continued existence and residence in the country and to earn the good will of the Chinese for his movement." And so on.

Once in a while a fearless man whose business or existence does not depend on Chinese good will, comes out with a ringing statement telling the truth about China. For example, Mr Silas H. Strawn, a distinguished American jurist who was in China during

1925-26 studying the Chinese judiciary speaking in Chicago upon his return hid this to say

There are 7 000 miles of railroad in China compared with 265 000 miles in the United States. On account of cheap labour the operating ratio of the Chinese railroads to their earnings is less than in any other country. The tonnage available for transportation is very large. While in other countries the earnings of the railroads go first to the payment of employees and operating expenses and then the net to the owners in China all of the earnings of the railroads are taken by the warlords.

The official report of the Chinese minister of communications to the chief executive in September 1925 states that more than \$180 000 000 or with interest more than \$250 000 000 of the earnings of the Chinese railroads have been taken by the militarists since the foundation of the Republic thirteen years ago. All of the railroads in China are now absolutely controlled by the military.

When the equipment is not being used for the movement or billeting of troops its use is sold by the warlords to the unfortunate shippers at outrageous rates. The usual

squeeze for the use of freight cars is \$5 per ton in addition to the freight rate. Thus to obtain the use of a 40 ton car from Tientsin to Peking a distance of about 90 miles the shipper is held up for \$200 plus the regular freight.

The American Legation at Peking last summer arranged to buy its winter supply of coal from a mine about twenty miles from Peking. The railroad was under the control of Wu Pei fu the then dominant warlord. His underlings demanded a squeeze of \$2 per ton for the use of cars to move the coal. In addition the Legation must pay Wu \$25 per car and the village where thus general was quartered demanded \$1.80 per car additional squeeze.

This episode was more aggravating when it was known that the cars and locomotives to move the coal had been furnished to the Chinese Government by American builders and had not yet been paid for the debt being several years in

default. The unfortunate vendors have no lien on the equipment, and by reason of military domination could not enforce it if they had . . .

"No attention is paid to maintenance of way or equipment. All of the equipment owned by the Chinese Government railways is rapidly becoming useless because of lack of repairs. Loans upon the several railroads are defaulting as rapidly as they mature. The result, therefore, seems inevitable—unless conditions soon change it will not be long before the railroads of China must cease operation and the unfortunate people will be compelled to go back to the barrow or pack their freight upon their backs. Most of the camels, donkeys, and cattle of the patient, industrious farmers have already been taken by the soldiers."

The above statement gives a fair intimation of the Chinese squeeze system and its pernicious effects. Similar stories can be told *ad infinitum*. "It is almost impossible," says the late Dr Arthur H Smith, a noted sinologue, in his book "Chinese Characteristics," "for any enterprise, however good or however urgent, to escape the withering effect of the Chinese system of squeezes." If the American Government looks into the disposition of the wheat sold to the Nanking Government in 1931-32 by the American Farm Board at a very special price for the relief of the great famine area in China, it will discover most amazing facts. In Shanghai it is well known that most of the wheat never reached the famine sufferers.

Not so long ago the American Red Cross sent to China a special commission to investigate how the funds which it had been contributing towards the relief of various disasters had been disposed of. The commission, unable to convince themselves that the money had been properly used, recommended that no further contributions be made.

A typical example of Chinese official practice is the way

in which the two Changs, father and son, one-time war-lords of Manchuria, pocketed \$500,000,000. This was shown in the bank records examined by the Japanese after Chang Hsueh-liang, the son, fled with the money. This fortune was made by misappropriating tax receipts, by manipulating paper currency which the Changs issued without limit, by taking "commissions" from foreign agents who sold them munitions and materials for their Mukden arsenal. Mr. Hallet Abend, China correspondent of the *New York Times*, in his dispatch dated November 2, 1931, said that "confiscated Chinese records are said to reveal the collection of annual land taxes exceeding \$200,000,000, of which only about \$120,000,000 reached the Manchurian treasury," and that "the corruption of the tax collectors was so great that they reported on the average only sixty of every hundred householders taxed, calmly pocketing the funds collected from the other forty."

Such practices are nothing extraordinary in China. In 1920 Chang Chin-yao, Governor of Hunan, had a private income of \$4,000,000 a month, and no Chinese said a word against it! From 1920 and up to the outbreak of the present hostilities in North China, military chieftains divided the Peking-Hankow railway into sections, each appropriating all the receipts, estimated at \$400,000 a month, from the section of the line under his control. That the road was the security for French and Belgian investments never troubled the militarists.

When Japan went into Manchuria in 1931, one of the first things she attempted was the elimination of the squeeze system. In the Central Government established at Hsinking, where Chinese officials, high and low, were under Japanese guidance, this attempt was not so difficult of realization though there was, and still is much grumbling among them.

In the local governments the difficulty was much greater. The Central Government sent forth into provinces, *brians*, and towns Japanese and Chinese overseers charged with the supervision of tax collection and the disposition of funds collected. Most of them were young men with little experience in the delicate task of handling human affairs. Puffed up with a sense of the authority so suddenly given them, some of them seem to have acted arrogantly towards the district heads and town and village masters. They carried out their instructions to the letter, but in so doing they earned the enmity of those steeped in the old tradition of squeeze. To this is due much of the restiveness which has been apparent in certain sections in Manchoukuo. The local officials, fearful that their enormously profitable squeeze industry was doomed were reluctant to co-operate with the Japanese. Worse, they started a whispering campaign, spreading rumours that the Japanese came to exploit the natives and to take all money out of Manchoukuo.

Here was a dilemma for the new Government of Manchoukuo and its Japanese advisers. If they connived at the old system, their professed idea of "government by benevolence" could not be realized. If, on the contrary, they made honest efforts to suppress it, the whole army of provincial and local officials would resort to a conspiracy of sabotage, rendering it difficult for the Central Government to obtain the necessary revenue. The perplexing problem is not yet entirely solved though the reform measure has made considerable progress.

The Japanese, remembering the lesson learned in Manchoukuo, will no doubt proceed more cautiously in dealing with the squeeze system in China proper. If they succeed in suppressing this age-long practice, not only the Chinese people but the foreigners who deal with

the Chinese officials, Chinese institutions, Chinese business firms, and private individuals will be benefited Nevertheless if the Japanese are to carry out this far reaching reform they must be prepared to face an organized resistance from the privileged class whose hue and cry will no doubt be misinterpreted in the West as a sign of dissatisfaction born of Japanese "oppression"

IV

Let us turn to the international implications of the possible Japanese ascendancy in China China's foreign affairs are so closely bound up with her domestic conditions that one cannot be discussed without considering the other Take China's foreign trade for one Some forty years ago Wu Ting fang that delightful pundit, long Minister to Washington, said in a speech in New York that "an inch added to every Chinaman's shirt-tail" would keep the whole world's cotton mills busy ! That prophecy has proved a huge joke China has never been more than a minor market for foreign cotton goods Why ? Because her internal chaos has been such as to drive her people to poverty so severe that most of them have only rugs on their backs

Mr Hamilton Butler for years American consul in China, writing in the *North American Review* a few years ago said that although the United States had traded with China for a century and a half her Chinese trade, even in the peak year of 1929 amounted to \$291 000 000 The figure may look impressive at first sight but it amounts to only sixty five cents per capita of 450 000 000 Chinese

On the other hand America's trade with Japan in 1929 amounted to \$690 000 000, or ten dollars per capita of 65 000 000 Japanese and America had been trading with Japan for only three-quarters of a century Take

American exports alone. The Japanese bought American goods in 1929 to the value of four dollars for every mother's son of them. If the Chinese had done as much, America should have sold them goods worth \$1,800,000,000, whereas her actual sales totalled only \$124,000,000.

"The difference," Mr. Butler observes, "between our trade with Japan and that with China is the difference between dealing with an energetic, alert, and orderly nation and dealing with a nation whose development is retarded and whose buying power is dissipated by self seeking and unscrupulous political exploiters." In conclusion Mr. Butler made this bold but singularly prophetic statement:

'Americans and Chinese would both profit by our recognizing what is patently true, that Japan is doing more to open China's door to a more extensive intercourse with the rest of the world than all of our diplomacy from John Hay down has succeeded in doing. A rational view of the Chino-Japanese situation is this if we want China to become united and strong as we say we do, Japan's aggressive action will bring that about, if anything can.'

For years Japan has purchased from the United States more than China and all the rest of Asia, as well as New Zealand, Australia, Java, Batavia, Borneo, and Sumatra put together. She buys from that country more than the whole of South America. Furthermore, Japan buys much more from the United States than she sells to it. In some years for every dollar paid to Japan, America received two dollars from her. In 1936 Japan bought \$204,190,000 worth of American goods, while America bought only \$172,400,000 from Japan. In the same year China's purchases from America amounted to only \$46,430,000 while her sales to America totalled \$73,000,000.

These facts are given to prove that a smaller but better organized and better ordered country affords a greater opportunity for foreign trade than a vast and immensely populous but chaotic country. They show also that the real economic open door is possible only in a country where law and order prevail under an efficient government.

This point cannot be too strongly emphasized. When Japan having effectively reformed her internal condition entered into the family of Powers upon equal footing and regained tariff and judicial autonomy, the foreign Powers and particularly the foreigners who had been engaged in business in Japan feared that the open door was destined to be closed. Apparently only apparently this fear was plausible. While the new civilization of Japan was in its infant stage her trade and economic enterprises were to no small extent in the hands of Occidentals particularly British and Americans. As that civilization became mature the Japanese themselves took hold of their commerce and industries which naturally resulted in an exodus of Europeans and Americans. In that sense Japan's door seemed to have been closed. At the same time trade between Japan and Western countries increased by leaps and bounds. The small number of Occidental traders doing business in Japan may have lost their business but their respective home countries profited enormously by the appearance of a renaissant Japan capable of managing her own affairs along Western lines. In this sense Japan's door has been opened more widely than ever.

v

When Japan defeated Russia in 1905 and entered the Manchurian field with various economic projects there was much outcry in the West about the closing of the

"open door" in that region. What really happened in Manchuria was a repetition of what had happened in Japan and Korea—some of the foreigners had to leave, but the trade of Manchuria with Western countries increased phenomenally. While Manchuria was under Russian domination, not a foreign nail was used in the building of its railways. Every material used was Russian. The Japanese completely reversed that condition and imported American and, to a lesser degree, British materials in great quantities so great that the Japanese themselves characterize their Manchurian railways as "American." As one speeds through the plains of Manchuria on a streamlined new train of the South Manchuria Railway, the "Asia Express" the swiftest in all Asia to-day, one cannot but recognize that here is a nation who carried the light of Occidental civilization into the heart of the benighted land of the Manchus and the Chinese.

When Manchuria became independent of Nationalist China in 1932, the West again raised a hue and cry against the allegedly "closed door." But statistics show that Western exports to Manchoukuo have materially increased since the advent of the new régime. Of course, Japanese trade takes the lion's share which is logical, but the trade of other countries has also progressed.

Foreign trade under the old Manchurian régime of the warlords was abnormal and unwholesome, and was carried on in disregard of popular welfare. This must give way to new normal trade. Take, for instance, the purchases made by the Mukden arsenal, maintained by the Changs at the inordinate cost of 80 000 000 silver dollars per year. Such an arsenal was absolutely unnecessary if the Changs' object in maintaining it was the preservation of peace and order in Manchuria. Yet most of the old régime's transactions with foreign firms were for the

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arsenal. With the advent of the new régime, foreigners, who had come to Mukden from many countries to share in the arsenal business, lost their trade. Also foreign experts and workers who had been employed in the arsenal were dismissed. Manchoukuo has made rather generous provision to meet the claims of these foreigners.

Again, the old Manchurian Government bought considerable quantities of rails from America to build new lines. Japan protested against the construction of these lines on the ground that it violated the agreement of 1905 whereby China obligated herself not to build any line parallel to and competitive with the South Manchuria Railway. When the protest interrupted this construction work, the interested Americans denounced Japan as violating the "open door" principle, and the denunciation still resounds in certain circles.

And yet no one who has taken the trouble to look into the matter can fail to see that trade of this sort is neither wholesome nor desirable. The old Mukden Government, which bought these American rails, paid for them with the money which should have been set aside to meet the service of the Japanese loans which had enabled the same government to build several hundred miles of railways. Instead the Mukdenites diverted the receipts of these Japanese financed lines and expended them on parallel lines, buying rails from America for the purpose. From the American standpoint the transaction was legitimate and justifiable. But the Mukdenites knew very well that the deal, as far as they were concerned was "tainted," depriving the Japanese creditors of money due to them in interest and sinking fund. Indeed they never paid a cent to the service of the Japanese railway loans.

But the period of readjustment in Manchoukuo will

not last long ; it will soon be followed by a period of reconstruction, growth, and development, when its trade will follow a normal and wholesome course.

Nor is it in the matter of trade alone that the Western Powers will profit from the Japanese domination of Manchuria. Take, for example, the Peiping-Mukden Railway, half of which runs through Manchuria. It was built by British engineers with British material. Loans amounting to the sum of £5,000,000 were advanced by the Hongkong and Shanghai Bank, a British institution. These loans were secured on the property of the railway and its receipts.

Under the loan agreement the chief engineer, accountant, and the "principal members of the railway staff" were British. The road from the beginning was very profitable. In 1903, the first year of its operation, it earned a net profit of 4 per cent. In 1906 the profit was 20 per cent. !

With the advent of militarist misrule, this happy condition abruptly changed. The railway was constantly used for free transportation of troops employed in recrudescence civil wars. Both the road and the rolling stock had been so abused that the railway had long since ceased to be a safe means of public conveyance.

Worse still, the receipts of the railway have been pocketed by the Changs, who paid no attention to the repeated protests of the British creditors. The British engineer and British accountant, who were to protect British interest, were cowed to submission by the militarists and could do nothing. For more than ten years little, if anything, has been paid to the service of the British loans.

The new state of Manchoukuo, acting upon Japanese advice, paid to the British creditor all back interest on that part of the railway lying in Manchuria. It has since

been punctually paying the requisite sum to the service of its loan.

Meanwhile the Chinese section of the same line between Shanghaikan and Peking has continued in default. If as a result of the present conflict a new Chinese régime, friendly to Japan, should be established in North China, there is not the slightest doubt that this railway would again come to life and would resume paying interest on the British investment. The Kailan coal mine, a British enterprise located on this line, has for several years been losing heavily. With the possible advent of a new and orderly government at Peking, this enterprise too will again be put upon a paying basis.

VI

What Japan did for the "open door" in Shantung in the years 1916-22, when she was the dominant factor in that province, furnishes another clue to the future of foreign trade there, if China, or at least North China, should be placed under Japanese influence. Before the World War German influence was preponderant in Shantung. Under the Sino-German agreements of 1898 and 1911, both the Chinese Government and merchants forfeited the right of buying in the open market foreign materials and machinery to be used in Shantung, but promised to purchase them from Germany. It was but natural that British and American railway materials were completely barred from this province.

Japan in the brief period from 1916-22 inclusive, during which she operated the Shantung Railway, entirely reversed the German policy. In the five years from 1916 to 1920 the Japanese management expended \$10,397,000 gold on materials and machinery for the Shantung Railway—a sum almost equal to the original cost of the line. Of this sum, about one-third or

\$3,047,000 went to American manufacturers. In 1921 the same management ordered from abroad, mostly from America, 18 locomotives, 293 thirty ton coal cars 11 passenger cars, and 12 cabooses.

At the Washington Conference, China proposed to buy that property outright. Dr Wellington Koo, one of the Chinese delegates officially declared that the Chinese people, out of patriotic motives, would raise the necessary fund to pay cash for the whole amount required. Whereupon Japan transferred the railway to China who in turn, agreed to reimburse to Japan the actual value of the property, 40,000,000 *yen* in Chinese Government notes running for a period of fifteen years but redeemable at China's option at the end of five years from the date of delivery. The five-year period closed at the end of 1927, yet Japan has never received a penny for the redemption of the notes! Except in the first three years China failed to pay even interest on the notes. In the civil war which engulfed Shantung soon after Japanese withdrawal most of the rolling stock was commandeered by the warlords. In October, 1925, and again in March 1928, most of the freight cars of the Shantung Railway were diverted from ordinary traffic to military purposes completely paralysing the trade of the province.

VII

Several times since the beginning of the hostilities in North China this headline

"JAPAN BOMBS THE BLUE EXPRESS"

in huge letters adorned—or marred—the front page of many a newspaper in Europe and America. Dispatches printed under the heading were so written as to create the impression that the Blue Express was a train *de luxe*, a thing of beauty of which China might well be proud.

foreign capital and foreign materials, as Japan did in developing the railway system in Manchuria, in Korea, in Shantung. Railway enterprise in a new China under Japanese influence will be on an immeasurably greater scale than Japan has ever undertaken. If she had to rely upon foreign material even in comparatively small fields such as Manchuria, Korea, and Shantung, she will find her own resources falling far short of the magnitude of the new enterprise which she hopes to launch in China.

Conscious of this obvious fact, Japanese leaders are already talking of the need for an effective, not nominal, "open door" policy both for Manchoukuo and North China. Although such talk is still vague and indefinite, it at least shows a trend away from the economic policy Japan has heretofore followed in Manchoukuo.

VIII

In 1901 Lord Charles Beresford made a tour of inspection in China as the representative of the British Chamber of Commerce. In a speech delivered in Shanghai he declared that the "open door" was of no use "unless the room inside is in order." He meant that there was little benefit in opening China's door unless and until she had put her house in order, so that foreigners would not be molested and foreign enterprise and foreign trade

to be willing or impelled to do what the Englishman thought she should do at the turn of the century. If she succeeds, she will make foreign investments and foreign property in China safe from Chinese abuse and Communist disturbance ; at the same time, she will, as I have said, take the lion's share in the trade and economic enterprises of China.

This need alarm no third Power, first because the trade of third Powers will also increase, though not as much as that of Japan ; secondly, because this will considerably relieve the pressure of Japanese competition in other markets, particularly in the British Empire. It was after anti-Japanese boycott curtailed Japanese exports to China that Japanese merchants pushed their trade in other parts of the world. Should China become the major outlet of Japan's export trade, Japan's activities in other markets would proportionately lessen. It is only fair that she should be given an opportunity in her part of the world. But Japan's capacity as an exporting nation is limited. If she is to launch a large-scale railway and road construction in China, she will to no small extent have to rely upon the foremost industrial nations of Europe and America for the supply of the necessary material. Nor is she in a position to supply China with oil, chemicals, and machinery. This means that the trade which the United States, Great Britain, and Germany have developed in China will not diminish but increase.

Whether Japan will succeed or fail, therefore, will depend largely upon foreign, *i.e.* Anglo-American, attitude. Should she fail through foreign obstruction or non-co-operation, what will follow will be a long period of worse chaos than China has witnessed in the past few decades—the revival of Communist activities such as have been described in Chapter I of this book ; endless civil war, with all its horrible concomitants ; the com-

As a matter of fact, it is a symbol of China's national degeneration and disintegration. It was on this train that in May, 1923, thirty-eight Americans and Europeans were captured by bandits for ransom. But that was not the worst. A few years afterwards, when the soldiers from Shensi province were defeated in Shantung province, they appropriated the Blue Express in their retreat, carried the train down the Peking-Hankow Railway, and used it for their winter quarters. These soldiers, as Mr Rodney Gilbert says, were "half-savage coolies who would previously have regarded an English pig sty as a luxurious tavern." The extraordinary thing was that no serious diplomatic representation was made to the Chinese Government, although the American firm which sold the cars to the Chinese Government held a lien on the property, the price of which had remained unpaid. To-day the Blue Express is but a miserable and disheartening shadow of its original self. And the American firm is still waiting for the Chinese Government to pay for it!

The story of the Blue Express is not the exception but the rule. Almost all of China's 7,000 mile railways were built out of the proceeds of foreign largely British, loans secured on the physical property of the railways. Up to twenty or fifteen years ago these lines were effectively supervised by foreign experts both in the operating and the accounting departments—which ensured generous returns on the foreign capital invested. Now the necessary supervision has been converted into a mockery alike by the Nationalist politicians and by the rapacious militarists. Foreign experts still remain, but their advice is no longer heeded. "Military interference has," to quote again from Mr Rodney Gilbert's "What's Wrong with China?"

"reduced all these valuable properties [foreign financed railways] to a pitiable financial and material state. Inter-party and

inter provincial wars have, year after year, interrupted all traffic on the arteries of trade for months at a time, incalculable damage has been done to the rolling stock and machinery, revenues have been looted by high militarists until loan service and improvements were out of the question, while there were not even funds for upkeep, and the road beds deteriorated until one could go along a main line, traversed by heavy all steel express trains and pull spikes out of the rotten sleepers with his fingers."

To this general condition of degeneration almost the only exception is the Japanese owned or Japanese financed railways in Manchoukuo. Not merely because of Japan's geographical proximity to Manchuria but also because those railways constitute Japan's political and economic "life line," she has had to safeguard those properties even by force from the disastrous effects of militarist tampering.

The condition of the railways furnishes a fair measure of the general condition of China. As long as China remains in this condition, it is idle to pretend that foreign capital and foreign trade can find a secure and profitable outlet in China. Should Japan become a dominant factor and a guiding force in China, she would undoubtedly see to it that the existing railways built and financed by American or European capital would eventually resume payment to the service of the foreign loans. Should she succeed in establishing peace and order throughout the country, foreign investors could again turn to China as a safe field of investment and enterprise.

China needs hundreds of thousands of miles of new railways. This need can be met only when the country is freed from official squeeze, militarist extortion, civil strife, and the Communist menace. Not can it be met if China and Japan rely upon their own financial resources only. To a very large measure they must rely upon

foreign capital and foreign materials as Japan did in developing the railway system in Manchuria, in Korea in Shantung Railway enterprise in a new China under Japanese influence will be on an immeasurably greater scale than Japan has ever undertaken. If she had to rely upon foreign material even in comparatively small fields such as Manchuria Korea and Shantung she will find her own resources falling far short of the magnitude of the new enterprise which she hopes to launch in China.

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From Shanghai Lord Beresford went to Tokyo and there in a public address he put this bold question to the Japanese. Why should not Japanese officers try to put the Chinese army in order, on the understanding that China will keep the door open?"

At that time the question sounded fantastic. None least of all the Japanese thought the suggestion practicable. The idea seemed to Japan quixotic. To-day, thirty seven years after the speech was made Japan seems

to be willing or impelled to do what the Englishman thought she should do at the turn of the century. If she succeeds, she will make foreign investments and foreign property in China safe from Chinese abuse and Communist disturbance ; at the same time, she will, as I have said, take the lion's share in the trade and economic enterprises of China

This need alarm no third Power, first because the trade of third Powers will also increase, though not as much as that of Japan , secondly, because this will considerably relieve the pressure of Japanese competition in other markets, particularly in the British Empire It was after anti-Japanese boycott curtailed Japanese exports to China that Japanese merchants pushed their trade in other parts of the world Should China become the major outlet of Japan's export trade, Japan's activities in other markets would proportionately lessen It is only fair that she should be given an opportunity in her part of the world But Japan's capacity as an exporting nation is limited If she is to launch a large-scale railway and road construction in China, she will to no small extent have to rely upon the foremost industrial nations of Europe and America for the supply of the necessary material Nor is she in a position to supply China with oil, chemicals, and machinery. This means that the trade which the United States, Great Britain, and Germany have developed in China will not diminish but increase

Whether Japan will succeed or fail, therefore, will depend largely upon foreign, i.e. Anglo-American, attitude. Should she fail through foreign obstruction or non-co-operation, what will follow will be a long period of worse chaos than China has witnessed in the past few decades—the revival of Communist activities such as have been described in Chapter I of this book ; endless civil war, with all its horrible concomitants , the com-

plete spoliation of the foreign-financed railways; increasing insecurity of foreign life and property. What is more ominous, Japan, if weakened by her failure in this costly attempt, might be superseded by Red Russia as the dominant power in East Asia—a condition which would have a most far-reaching effect upon the future of entire Asia. Besides intensifying its disruptive activities in all parts of Asia in pursuance of Lenin's "Asia detour policy," the Soviet Union might be tempted to throw down the gauntlet before Japan, putting in motion the gigantic war machine it has placed in East Siberia and Outer Mongolia.

If, on the contrary, Japan should succeed through foreign co-operation, there would eventually emerge a new China, a better country both for the Chinese and the foreigners to live in. This in turn might so impress Soviet Russia as to cause it to modify its challenging attitude towards Japan and to withdraw much of its armed force from the Far East. This might make it possible for Japan and Russia to conclude a non-aggression pact, thus adding another stone to the foundation of world peace. It would, I am sure, solve even the naval question to the satisfaction of all concerned.

with foreign capital had been seized and exploited by militarists and reduced to a deplorable state of insecurity as public conveyances, while the rights of the foreign creditors had been completely ignored. They had ignored the plain historical fact that Chiang Kai-shek had ridden to power on the crest of an anti-foreign and Communist agitation. What assurance was there that he or any other Chinese leader would not again play the same game after he had got all the money he could borrow from the Powers? If history teaches us any lesson the answer, in the light of China's past record must be in the negative.

Foreign nations interested in trade and economic enterprises in China cannot and must not ignore the fact that internal dissension and civil war are inherent in her politico-military condition and her national idiosyncrasy. Foreign observers seem to be agreed that the impact of the Japanese gun has united various Chinese factions, even the Nationalists and the Communists as they had never been united before. By the same token it must be inferred that if and when the Japanese pressure is removed those factions will again quarrel among themselves. We may, however, assume that the coalition between the Communists and Nationalists will persist, with the former exercising a preponderant influence upon the latter. This will prove even more disastrous to foreign trade, enterprise and investments than the alternative of recurrent civil strife.

And yet neither England nor America will extend to Japan the co-operation she desires for the regeneration of China. On the contrary, acts and utterances at Washington and London clearly indicate that the United States and Great Britain are determined to frustrate Japanese efforts even if they may have to bring into play the united might of their great navies. This is exactly the traditional attitude of the Powers towards Japan's inevitable con-

tinental aspirations—an attitude which Mr Thomas Edison (see Chapter X) characterized as costly, unfair, and futile. As long as the Powers persist in this policy of repression towards Japan, that island country, over-populated and devoid of natural resources, will continue to be restless and discontented—a danger spot in the Far East.

CHAPTER XII

A CAMPAIGN OF VILIFICATION

I

Before the *Panay* and *Ladybird* incident in the Yangtse cast a shadow upon the honour of the Japanese army and navy, the Japanese forces at the front had shown themselves quite as reputable and efficient as any force under similar circumstances. True, they had made mistakes, the most serious of which was the aerial assault upon the automobile in which Sir Hughe Knatchbull-Hugessen, the British ambassador, was travelling from Nanking to Shanghai. The hostile foreign Press made the most of such mistakes, ridiculing Japanese proficiency in "creating incidents" and in making apologies for them.

But no fair-minded man can fail to appreciate the difficult and delicate situation which confronted the Japanese troops in the Yangtse-Whoampoo triangle. Here was a region where the Chinese forces clung tenaciously to the International Settlement and the French Concession, making it extremely difficult for Japanese warplanes and Japanese guns to attack them without at the same time incurring the risk of trespassing upon the foreign areas. The task was as delicate as a surgical operation. And the foreign troops guarding that section of the foreign areas adjoining the Chinese position, while permitting various supplies to go through the boundary line to the Chinese troops, exercised no leniency towards the Japanese, but were mercilessly exacting, demanding apologies for every

minor "incident," such as a stray bullet hitting a foreign guard close to the Chinese line. These observations, with little modification, apply to the foreign warships in the Whoampoo and the Yangtse. They were practically in the thick of battle, to the great embarrassment of the Japanese forces.

European and American newspapers have sarcastically said that no other fighting force has ever created so many incidents as have the Japanese in the Shanghai-Nanking area. They ignore the obvious fact that no other force has ever fought in so delicate a situation. Yet here and there we find exceptions to this general journalistic attitude. For instance, the *Oregonian*, one of the foremost newspapers on the West Coast of the United States, commenting upon the *Panay* incident, declared, in effect, that the State Department at Washington would be right in addressing a stern note of reproof to itself for allowing an American warship to remain so near to the war zone. Such a sane view is extremely unpopular now, but when the guns are stilled and peace returns to China, the public will look back wondering why it permitted itself to be swept away by momentary excitement. Meanwhile Japan must endure the sarcasm of the foreign Press by making prompt and courteous apologies for any and every mistake she may make!

II

During the World War the French Press Bureau had photo-chemigraphic departments whose "principal work consisted in making photographs and cuts of wooden figures with cut-off heads, torn-out tongues, gouged-out eyes, crushed skulls, and brains laid bare. The pictures thus made were sent out as unassailable evidence of enemy atrocities to all parts of the world, where they did not fail to produce the desired effect." This confession

has been made by "a French Chief Editor" in his book "*Behind the Scenes of French Journalism*"

No doubt similar practice prevailed in other countries. Thus the faking of pictures showing the enemy in the blackest colour became a big industry during the World War. On December 15, 1915, the London *Daily Mirror* published a picture with this caption "Made to wash Huns' Dirty Linen". In reality this was a picture by Karl Delius of Berlin, showing the delivery of mail-bags in front of the Field Post Office of the German Army at Kavevara—a picture which was originally published in German newspapers. The *Daily Mirror* reproduced it with the above new caption!

The *War Illustrated*, of London, for January 30, 1916, contained a picture with this caption "German Officers Pillaging a French Chateau". This, too, was a reproduction of a German photograph, and an official one, which was originally printed in German newspapers with this caption "German Officers inspecting Munition Cases behind the German Lines".

These and numerous similar cases are minutely described in Lord Ponsonby's illuminating book '*Falsehood in War-Time*'. It is a book which should be read by every thoughtful man and woman particularly at this time, when the popular mind all over the world is again inflamed by a campaign of falsehood exploiting "Japanese atrocities" in China. Just as Germany was made the villain of the piece during the World War, so to-day Japan is put in the limelight of propaganda as the enemy of "humanity"—propaganda mobilizing every means of high powered modern publicity such as moving pictures wirephotos for the Press radio etc. As a matter of fact, many of the "war" pictures, such as Japanese aerial bombing, shown on the screen these days can be manufactured at Hollywood or any well-equipped "movie"

industry centre. The propaganda bureau of the Nanking Government, abusing the security offered by the International Settlement at Shanghai, poured out from that haven of safety pictures and publicity matters calculated to distort the public sentiment of the world. A few examples will suffice to show the nature of this propaganda.

When on August 15 a Chinese airplane bombed the Cathay and Palace Hotels in the International Settlement, China's official propaganda bureau spread news that the bomber was Japanese.

"Within twenty four hours," writes Mr. Mark J. Ginsbourg, Shanghai correspondent of the *Washington, D C., Post*, the propaganda bureau "issued an essential correction informing one and all that as a result of a thorough investigation by our staff members, it was learned that the bomber in question was Chinese, not Japanese."

Again on August 22 Chinese planes bombed the International Settlement, this time damaging the Sincere and Wing-on department stores. Again the Chinese propaganda bureau declared that the missiles were from Japanese planes.

The *New York Times* Shanghai correspondent, to avoid Chinese censorship filed his dispatches on this bombing at Hongkong instead of at Shanghai, so that he could tell the truth.

His dispatch dated Hongkong August 27 (five days after the bombing) said in part:

"That some international action should be agreed upon providing for armed measures or other restraints to prevent irresponsible Chinese aerial bombing and the killing of helpless civilians in Shanghai's International Settlement and the French Concession is the consensus of foreign consular, naval, and military officials in Shanghai."

The same dispatch complained of Chinese censorship, saying :

" Chinese censors struck the foregoing facts and opinions from cables and radio messages filed and even changed news cables to make it appear that doubt existed in the minds of foreign officials here that possibly the bombs came from Japanese planes but this is distinctly not true "

Further, the *New York Times* dispatch dated Hongkong, September 6, says about the same bombing

" The Chinese disavowed responsibility, declaring that the missiles were from Japanese planes. Now, however, it has been definitely determined that these bombs were both of Italian manufacture bought by China from Italy. American and British naval investigators here concur in this finding and Italian officials admit the origin of the bombs. This seems conclusive proof, since the Italians say Japan never bought any such war supplies from Italy "

III

One of the most interesting things Chinese is the way the Nanking Government furnishes news to a certain news agency with world wide ramifications. In 1929 or thereabout the Publicity Bureau of the Nationalist Foreign Office entered into an agreement with the said news agency by which this agency was to use a stipulated number of words per day or week of " news " matters furnished by the said Bureau. For this " service " the Bureau was to pay the agency a yearly sum which was quite liberal.

Thus the news agency agreed to do what was tantamount to publicity work for the Nanking Government for a monetary consideration. But that was not all. Out of the sum paid the news agency by the Nanking Government the Chief of the Publicity Bureau or some

other high personage in the Chinese Foreign Office was to receive a rebate, which was understood to be quite generous, from the same agency ! Furthermore, the Nanking correspondent of this foreign news agency was at the same time officially connected with the Publicity Bureau of the Nanking Foreign Office ! This arrangement was made several years ago, and I have not heard that it has been discontinued

The campaign of falsehood in the present instance extends to Press wirephotos and news reels from China. For the sake of convenience foreign news agencies in China employ Chinese photographers, along with their own countrymen. That, perhaps, accounts for the pollution of Chinese wirephotos and news reels. What guarantee is there against such pollution if even news dispatches are changed to suit the Chinese censor ?

For a time certain American theatres, and I suppose British theatres too, showed news reels featuring two Chinese being shot blindfolded and kneeling. Investigation proved that the films were made in 1931, and that the victims were Chinese looters shot by Chinese. When this was proved the films were withdrawn.

About the same time foreign newspapers printed a photograph showing a Chinese woman, blindfolded and tied, being used as target for bayonet practice by a Japanese soldier ! The face of this soldier is not Japanese, but distinctly Chinese. The blindfolded figure appeared like a dummy rather than a human being. The picture showed the soldier sticking his bayonet into the body, but no blood flows out of it ! If this abominable practice was really perpetrated is it common sense to presume that the Japanese army would permit any photograph to be taken of the scene ?

Colonel T. Takahashi of the Japanese army, confronted by New York reporters with this photograph, said

The technique of the Japanese soldier as we are trained is entirely different from that displayed in the photographs. We do bayonet charges from the hips up. The soldiers do not use their weapons in the manner shown in the photographs. If a Japanese soldier affected the poses shown by the persons practising in the pictures he would be punished.

IV

On September 20 1937 Vice Admiral Kiyoshi Hasegawa Commander of Japan's Third Fleet at Shanghai issued the following warning regarding the then intended bombing of Nanking by the Japanese air force

It being the objective of the Japanese operations to bring the present state of hostilities to an early conclusion terminating the hostile actions of the Chinese forces and Nanking being the principal base of Chinese military operations the Japanese naval air force may on the afternoon of September 21 resort to such offensive measures as bombing and otherwise upon the Chinese forces as well as upon all establishments pertaining to military operations and activities in and around Nanking

It needs no reiteration that the safety of lives and property of nationals of friendly Powers will be taken into full consideration during the projected offensive. However in view of the possibility of such nationals becoming dangerously involved in the Chino-Japanese hostilities despite such precautions the commander in-chief of the Third Fleet is constrained earnestly to advise such officials and residents living in and around Nanking to take adequate measures of voluntary moving to areas of greater safety. Foreign warships as well as others proposing to avoid danger in the Yangtse River are advised to moor upstream from Hsiasanshan

Apart from the clumsiness of the English the warning was issued with the best of intentions to minimize the possible danger to foreign life and property, although it

added much to the hazards of the Japanese air force by giving the Nanking defenders advance knowledge of the Japanese strategy. The Japanese admiral of course had no intention of resorting to indiscriminate bombing for the demolition of the whole city. What he was aiming at was the destruction of such military and governmental establishments as were deemed essential to the prolongation of the Nanking Government's warlike operations against Japan. But whatever precaution the admiral might urge upon his air force there was bound to be a certain amount of danger to the civilians and other objectives at which the intended aerial attack was not aimed. That was the reason for his advance warning.

Yet the admiral's good intentions were grossly misrepresented by the Press in Europe and America. Said a *New York Times* dispatch dated Shanghai September 21:

That Japan intends to attempt to demolish Nanking as a city and as a seat of government and reduce all the fine new buildings in China's ten year-old capital to blackened rubbish heaps was clearly indicated by Admiral Hasegawa's declaration that he means to strike a paralysing blow hoping thereby to hasten the end of the conflict.

The following are a few of the typical specimens of the way the foreign newspapers reported on the Japanese warning:

- 1 To blow Nanking off the map
- 2 Concentrated air attack on all sections of Nanking
- 3 Unrestricted aerial bombing of Nanking
- 4 Japan massed a gigantic warplane fleet to-day to destroy Nanking capital of China and home of more than 1 000 000 people
- 5 Japanese hope to raze Nanking to the ground
- 6 Japanese determination to raze China's modern capital

And the epilogue to this campaign of vilification? When the Japanese army entered Nanking, in the middle of December, 1937, the city was found intact except for such depredations and incendiaryism as had been perpetrated by the Chinese forces before they fled!

V

The bombing of Nanking is merely one of the many occasions which furnished the Press with opportunities of exercising their imagination as to damages caused by Japanese aerial attacks. No Japanese insists that the Japanese airmen have been above reproach and that they made no mistake. But the Japanese do believe that in no stage or theatre of the hostilities have Japanese airmen deliberately aimed at purely non-military objectives or objectives which have not been utilized by the Chinese forces in their operations against the Japanese.

Many sensational headlines enlivened the Press reporting Japanese bombing of China's educational and other cultural institutions. Investigations have revealed that such cultural institutions as were bombed had been utilized by the Chinese for military purposes. The following is a summary of the facts in the case:

At Shanghai

1 Tungtsi University and Middle School at Woosung was damaged because the Chinese 88th Division had occupied it and attacked the Japanese forces from behind its walls

2 The Commercial Press and the Oriental Library attached thereto in the Chapei district were damaged, because they were occupied first by the 87th Division and later by the 25th and 10th Divisions of the Chinese army. The Chinese forces dug trenches around them placed tanks as part of their defence, and piled up sand bags behind all windows, from which they attacked Japanese forces with machine guns

3 Communications University was attacked by the Japanese forces, because its premises were used by Chinese artillery

4 Ja Hsia University and Kung Hua University were attacked, because the Chinese forces dug trenches around and within their premises and used them in their operations. Before retreating the Chinese set their buildings on fire

5 Fu Tan University, Shanghai Commercial School Tsung-teh School, and Ai kuo School were attacked by Japanese because they were all used by the Chinese for military operations

At Canton

The following institutions unfortunately suffered damage with casualties because they happened to be located close to the Canton Government Cement Factory and Air Port

- 1 Mei Hua Middle School
- 2 Kuang ya Middle School
- 3 Hsia ho Women's College

The following institutions were attacked because they were occupied by Chinese forces

- 1 Jang-chin Middle School
- 2 Chung shan University
- 3 Tu tan Middle School

At Tsinan Shantung Province

No Chinese cultural institutions were damaged by Japanese. The Chinese army before retreating

- 1 Completely burned down the Meteorological Observatory, established by Japanese for purely scientific purposes

2 Completely looted and mostly destroyed Tung Jen Hospital maintained by the Japanese for the benefit of both the Chinese and Japanese

3 Completely looted and mostly burned the Japanese school

At Tsingtao Shantung Province

The Chinese army, before retreating burned or destroyed practically all the Japanese silk and cotton mills valued at 300 000 000 yen although the Chinese military and civil authorities had promised to protect them after the Japanese evacuated the city in October, 1937

VI

The story that the Japanese army used a poison gas against the Chinese is on a par with the infamous story, circulated all over the world during and for years after the Great War that the Germans established behind their defence lines many factories where the dead bodies of their own soldiers, as well as those of their enemies were used to manufacture glycerine, lubricating oils and manure. This abominable canard about Germany began to appear in the British Press early in 1917, and it was permitted to pass unchallenged until October, 1925 when Brigadier-General Charteris of the British army, speaking at a private dinner in New York City, was reported to have confessed that the German corpse factory yarn was spun by himself for propaganda purposes. The brigadier-general, upon his return to England denied that he had made the confession. But the significant fact was that on December 2 1925 Sir Austen Chamberlain Foreign Secretary, in the House of Commons announced that the "Chancellor of the German Reich has authorized me to say, on the authority of the German Government, that there was never any foundation for it" (the corpse factory story), and that "I need scarcely add that on behalf of His

Majesty's Government I accept this denial, and I trust that this false report will not again be revived"

Commenting upon the above British announcement *The Times Dispatch* of Richmond Virginia USA for December 6 1925 had this to say

A few years ago the story of how the Kaiser was reducing human corpses to fat aroused the citizens of this and other enlightened nations to a fury of hatred. Normally sane men doubled their fists and rushed off to the nearest recruiting sergeant. Now they are being told in effect that they were dupes and fools that their own officers deliberately goaded them to the desired boiling point using an infamous lie to arouse them just as a grown bully whispers to one little boy that another little boy said he could lick him.

"In the next war the propaganda must be more subtle and clever than the best the World War produced. These frank admissions of wholesale lying on the part of trusted Governments in the last war will not soon be forgotten."

This comment should be remembered when reading atrocity stories and looking at atrocity photographs in the Press in connection with the Japanese military operations in China.

Since the above paragraphs were written press dispatches have reported several cases of unruly conduct on the part of Japanese privates such as pilfering wines and trinkets from the temporarily unoccupied houses of foreigners at Shanghai and in Nanking and abusing Chinese women. In a sense such cases are far more serious than the *Panay* or the *Ladybird* incident. For the former there is absolutely no excuse and we are thoroughly ashamed of them for the latter we offer our sincerest apologies but in our heart of hearts we cannot help feeling that the foreign commanders might have exercised greater discretion by moving their ships further away from the scene of battle. Such petty offences as have recently

been reported, if not rigorously dealt with, will lend colour to the already general opinion abroad that the Japanese army is no longer the example of discipline and good behaviour which it was during the Chino-Japanese war of 1894-95 and the Russo Japanese war of 1904-05

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